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East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2063

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CONTENTS

INTERNATIONAL AFFAIRS

Indebtedness of CEMA Countries Reported
(Jerzy Kleer; POLITYKA, 18 Oct 80) 1

Shortcomings in Transferable Ruble Accounting Viewed
(Mihaly Patai; MAGYAR NEMZET, 18 Sep 80) 5

ALBANIA

Plans for Development of Energy Resources Stressed
(Llazar Papjorgji; BASHKIMI, 13 Aug 80) 8

BULGARIA

Efforts To Increase Consumer Goods Production Emphasized
(Georgi Stoyanov; OTECHESTVEN FRONT, 2 Oct 80).............. 13

Industrial Production During January-August 1980 Period
(IKONOMICHESKI ZHIVOT, 17 Sep 80) 15

CZECHOSLOVAKIA

Worker 'Participation in Management' Under Set of Measures Explained
(Ladislaw Jasik; HOSPODARSKE NOVINY, 3 Oct 80).............. 18

August 1980 Economic Results Summarized
(HOSPODARSKE NOVINY, 26 Sep 80) 24

GERMAN DEMOCRATIC REPUBLIC

GDR Seen Needing FRG Aid for Energy Problems
(Peter Jochen Winters; FRANKFURTER ALLGEMEINE, 11 Aug 80)... 28

[III - EE - 64]

'Important Trade Agreements' Announced From Leipzig Fair
(DDR-AUSSENWIRTSCHAFT/MESSEBULLETIN, 4 Sep 80)................ 31

Need for Greater Exports Defended
(Juergen Hamman; SCHWERINER VOLKSZEITUNG, 19 Sep 80).......... 35

HUNGARY

Shortcomings in Manpower Regrouping Measures Viewed
(Csaba Vertes; MAGYAR HIRLAP, 7 Oct 80)....................... 39

POLAND

Worker-Supervisor Relations Discussed
(Zofia Krzyzanowska; TRYBUNA LUDU, 15 Aug 80)................. 42

ROMANIA

Oltenia Coal Basin Operations: Problems, Solutions Viewed
(Vasile Boescu, P. Bogdan; REVISTA ECONOMICA, 12, 26 Sep 80).. 45

INDEBTEDNESS OF CEMA COUNTRIES REPORTED

Warsaw POLITYKA in Polish No 42, 18 Oct 80 Supplement p 18

[Article by Jerzy Kleer: "Indebtedness of CEMA Countries"]

[Text] A special feature of the world economy in the 1970s has been the extremely rapid rise in foreign trade between the developed capitalist countries and the CEMA countries. The relaxation of political relations and the rapid strengthening and expansion of economic contacts have been accompanied by new aspects of economic policy such as the abandonment of certain previously mandatory theoretical canons. In the 1950s and early 1960s it was a fairly common thesis that getting loans (at least on a large scale) from the capitalist world was not in accord with the concept of socialism. This doctrinal statement had in reality conflicted with the broader and more fundamental concept of the peaceful coexistence of different social systems, but it could apply in a situation in which economic and technological contacts were limited.

This statement became subject to a reassessment once economic cooperation among countries with different social systems became expanded. It then turned out that there exists a rather basic disharmony in the structure of foreign trade among such countries, along with, in many cases, the absence of the necessary institutional solutions. This soil, among other things, gave birth to the concept of combined companies, of cooperation between enterprises belonging not only to different countries but different social systems. Practice proved to be ahead of theory, but this could not be otherwise in a situation in which changes in the share of foreign trade by one party occurred quite rapidly while the other party was forced by the existing trade barriers, e.g. the lack of convertible currency in the CEMA countries, to resort to new unprecedented solutions on a day-by-day basis, so to speak.

Fundamental changes in the orientations of foreign trade of the CEMA countries took place in the first half of the 1970s. They were reflected chiefly in the extremely rapid rise of the share of imports from developed capitalist countries and the much slower rise in exports to these countries. This is clearly illustrated by Table 1.

Table 1. Share of Developed Capitalist Countries in the Imports and Exports of CEMA Countries

		1970	1975	1976	1977	1978	1979
Bulgaria	I	19.1	23.6	22.9	20.0	15.0	15.4
	E	14.2	9.3	10.5	9.6	9.8	14.4
Czechoslovak SSR	I	24.5	24.6	24.9	23.6	23.2	24.1
	E	20.4	19.8	18.2	18.6	18.0	19.9
GDR	I	26.7	33.4	36.5	31.4	38.1	35.6
	E	21.9	22.4	24.3	20.6	19.7	20.8
Poland	I	25.8	49.3	48.4	43.3	40.5	37.9
	E	28.4	31.5	32.0	31.2	31.3	31.1
Romania	I	39.5	43.4	36.2	36.7	39.3	35.7
	E	31.9	34.7	34.7	30.3	32.8	36.1
Hungary	I	28.8	27.0	36.0	36.9	39.0	37.9
	E	28.0	21.4	30.8	29.0	29.8	32.3
USSR	I	24.0	36.4	37.7	33.0	31.8	35.0
	E	18.7	25.5	28.0	26.5	31.8	35.0

First of all, it should be pointed out that foreign trade with the developed capitalist countries has increased in share in nearly every CEMA country. At the same time, it has been extremely differentiated depending on the individual country. Among the CEMA countries the highest increase in the share of imports from the capitalist countries in the overall imports took place in Poland in 1974 (50.8 percent). For the CEMA countries as a whole, imports from the capitalist countries reached their peak in 1974-1976--with the exception of Hungary in 1979. An important aspect of this trade is its marked fluctuations from one year to another; that is, the share of both imports and exports increases or falls from one year to another, and it must be said that such fluctuations adversely affect efficient management of production capital and the market supply.

The most important conclusion ensuing from this table, however, is that the share of imports from the developed capitalist countries has consistently exceeded the share of exports to these countries. If it is moreover considered that imports by the CEMA countries usually exceed their exports or at most balance them, it is obvious that part of the imports from the developed capitalist countries was obtained on the basis of credits. The state of the indebtedness of the individual CEMA countries is presented in Table 2.

Table 2. Aggregate Net Indebtedness of 7 CEMA Countries and Banks to the Capitalist Countries During 1970-1978 at Year End, in US$ Billion

Country	1970	1974	1975	1976	1977	1978	1979
Bulgaria	0.7	1.2	1.8	2.3	2.9	3.4	3.4
Czechoslovak SSR	0.3	1.1	1.5	2.1	2.5	2.0 (2.9)	3.5
GDR	1.0	2.8	3.8	5.0	6.6	8.2 (7.7)	9.2
Poland	0.8	3.9	6.9	10.2	14.1	16.8 (16.7)	18.7
Romania	1.2	2.6	3.0	3.3	3.0	4.4 (4.2)	5.8
Hungary	0.6	1.5	2.1	2.8	4.3	5.7 (6.4)	7.1
USSR	1.9	5.0	10.0	14.0	13.7	17.2 (11.6)	17.5
CEMA banks	0.6	0.9	3.1	4.0	5.1	3.0 (5.3)	
	7.1	19.0	32.2	43.7	52.2	60.7 (58.4)	65.0

The parentheses include another source's estimate.

It should be noted that these figures are tentative, since they do not represent official data published by the CEMA countries. These figures are taken from two sources: materials of an office dealing with East-West foreign trade at the American Department of Commerce, provided to the United Nations European Economic Commission, and the publication OST-WESTHANDEL 1979 UND AUSSICHTEN FUER 1980, by J. Stankovsky, Wiener Institut fuer Internationale Wirtschaftsvergleiche.

It is estimated that by the end of 1980 the overall indebtedness will be, according to Stankovsky, US$ 70 billion or, according to the Department of Commerce, US$ 76 billion. Servicing this debt will cost (according to the different estimates) US$ 4.9-5.9 (in 1980). One-third of the loans comes from commercial banks and two-thirds from government credit and other special credits. The structure of the bank credit is more or less as follows: short-term (up to 1 year), about 43 percent; for from 1 to 2 years, about 18 percent; and for more than 2 years, about 38 percent. Thus this is not a favorable bank credit structure--neither as regards the schedule for repayment nor as regards the interest charges.

The most important questions, however, concern two other aspects: what were the loans received for, and is the indebtedness large? The answer to the first question is relatively simple. In general, it can be said that, as a rule, the imports pertained to capital goods and were intended to modernize the national economy and acquire up-to-date technology. If these purchases are expedient (and as we know from Polish experience at least, they have not always been so), they will undoubtedly result in new sought-after means of production and consumption and thus contribute to the further development of the CEMA countries.

The answer to the second question is more complex. A partial answer can be obtaine obtained by comparing indebtedness with annual exports to the loan-granting countries. On thus taking, on the one hand, the volume of exports by individual CEMA countries to the markets of the developed capitalist countries and, on the other, the size of indebtedness (exclusive of debt servicing) for 1979, we obtain the following figures (showing the ratio of indebtedness to annual exports): Bulgaria, 2.78; Czechoslovakia, 1.31; GDR, 2.74; Poland, 3.7; Romania, 1.71; Hungary, 2.77; and the USSR, 0.97.

The situation differs for the individual countries, ranging from a relatively low ratio for the Soviet Union to a sizable ratio for Poland. Despite this marked differentiation, however, a vigorous intensification of exports to the markets of the developed capitalist countries is among the paramount economic tasks for an overwhelming majority of the European member countries of CEMA.

1386
CSO: 2600

SHORTCOMINGS IN TRANSFERABLE RUBLE ACCOUNTING VIEWED

Budapest MAGYAR NEMZET in Hungarian 18 Sep 80 p 5

[Report by Dr Mihaly Patai, Financial Research Institute: "The Transferable Ruble"]

[Text] Reviewing the experiences in socialist international labor division, the first secretaries and heads of government of the CEMA countries approved in 1962-63 the proposals to change to a multilateral accounting system in the trade between the member states. The new multilateral accounting system was created to promote the development and expansion of socialist international labor division and to strengthen the economic and trade relations between CEMA's member states. In talking about the problems of the accounting system, we must premise: the multilateral accounting system, introduced on 1 January 1964, has indeed helped the development of the socialist economic community.

In accordance with the Complex Program, specialists of the CEMA's member states are overviewing and evaluating during these weeks and days the functioning of the transferable ruble--one of the key elements of CEMA's mechanism of cooperation--and are determining the next steps to be taken. This is an excellent opportunity for us to show what the various views of Hungarian specialists are with regard to this important means of accounting.

The Hungarian CEMA research of the 1970's unequivocally and unanimously pointed out the deficiencies of the accounting system based on the transferable ruble. The introduction of the system of multilateral accounting meant a step forward only in a formal sense, as foreign trade relations are still bilateral. There is a sharp contradiction in CEMA's accounting system between the multilateral institutional framework and bilateral practice. The member states' delivery agreements are controlled, specified and balanced bilaterally. Accordingly, financial accounts are also balanced bilaterally. The fact that the purchase of goods above the quotas is practically impossible, has a fundamental effect on currency relations. The transferable ruble moves in a closed accounting circle, having no meaningful relations either with currencies outside the circle or with those within the circle.

The transferable ruble does not actually fully perform monetary functions. The CEMA states account their barter in transferable rubles, determining the prices of individual goods in a collective currency. Because of unrealistic price relations and rates of exchange, the ruble cannot be a standard of value or prices. The same goods are priced differently in various relations and it is only an accident if one relation's unit corresponds with another relation's unit.

We cannot speak of a medium of circulation function in bilateral relations. The balance surplus, the given credit, and the interest acquired in transferable rubles cannot be used as a medium in the exchange of goods.

The possessor of transferable rubles has no interest in accumulating reserves because rubles cannot be used as a means of circulation payment. Since the collective currency does not even fully perform the four monetary functions, it does not (cannot) function as a world currency; so much the less, as it is used only within CEMA. The socialist collective currency does not adequately perform monetary functions and, consequently, has a very limited exchange value.

There are, of course, other views on the transferable ruble as well. According to some socialist economists, the present CEMA cooperation meets the objective requirements and the mechanism functions adequately. Consequently, any new element would only cause disturbances in its operation.

The overwhelming majority of publications dealing with the CEMA's currency and financial questions emphasizes the results achieved and touches upon the problems only in passing. According to most specialists, the experience gained since the establishment of the transferable ruble 15 years ago is favorable and meets the expectations toward the system. The transferable ruble--as the key currency of the accounting system--has all the necessary attributes (international and collective character, standard of value, means of payment function) which qualify it for the role of a full-value currency. At the same time, these same people also point out that "the possibilities inherent in the mechanism are not always being exploited to their full extent."

There are views according to which the present accounting system, as far as its institutional possibilities are concerned, exceeds the demands of the present foreign exchange of goods. (Namely, with regard to the institutional possibilities of the accounting system.) The present foreign trade relations, which are mostly bilateral, do not necessarily require a multilateral accounting system.

The 1970s also saw some attempts to eliminate the deficiencies of the accounting system. One of the problems most frequently discussed in economic circles is that balance surpluses are not being used in the accounting system. Economists have been dealing for a long time with the use of claims (balance surpluses) emerging in transferable rubles.

To create a use for claims in transferable rubles is an important but not an absolutely imperative task. In the present stage of CEMA cooperation, the familiar problems which encompass the entire economy (e.g., beyond the actual economic problems, CEMA's parallel production capacities, resulting in an uncoordinated stand on the capitalist market; deficiencies of the internal economic management system or the question of labor discipline) require complex solutions. The transferable ruble is only one of the difficulties emerging in CEMA cooperation: its solution is a function of decisions concerning overall socialist integration, including the national mechanisms of economic management.

The necessary changes in CEMA will undoubtedly affect the sphere of currency and finance and its key element, the transferable ruble. With reference to this, two strong views emerged in the CEMA literature concerning the future role of the transferable ruble. Studies have been published in the Hungarian, Czechoslovak and Romanian economic literature which foresee a larger role for CEMA's national currencies. According to this conception, the national currencies would take over certain functions of the means of accounting and payment; the transferable ruble's primary function would be an SDR-type surplus means, to quote a bad example. This does not mean disregarding the transferable ruble. On the contrary, it would mean progress: a decrease of the number of functions to be carried out (in a quantitative sense) could result in a qualitative change in carrying out individual tasks. Several economists, opposing the above view, consider an increase of the transferable ruble's role as a fundamental requisite for the development of the CEMA's system of currencies and finances. It would be a mistake to substantiate the differences of opinion, so much the more as the key question is not the future role of the transferable ruble but the development of socialist integration. This is the main goal for which we must select the appropriate system of means.

9414
CSO: 2500

ALBANIA

PLANS FOR DEVELOPMENT OF ENERGY RESOURCES STRESSED

Tirana BASHKIMI in Albanian 13 Aug 80 pp 1-3

[Article by Llazar Papajorgji, director of energy directorate in the Ministry of Industry and Mines: "Development of Energy Resources and Aims of the Technical and Scientific Revolution in this Field"]

[Text] The Eighth Plenum of the Central Committee of the Albanian Workers Party, which analyzed the improvement of the level of scientific work and of its effectiveness for the present and future development of the country and the programmatic and very important speech of Comrade Enver "The Progress of the Country Is Inseparable From the Development of Sciences and Technology" are a great source of inspiration and a great work program for the energy workers. Comrade Enver, in a particular manner, advised us, the workers of the energy system, to give importance to the prognostic studies for new energy resources for the expansion and invigoration of the single energy system and for the utilization of this system at a higher scientific level so that the level of the assurance of the supplying of consumers electric energy and the economic indicators will be improved, for a broader introduction of electric power in production and in the automation of the various work processes. Likewise, the studies, designs and experiments in regard to problems of thermoelectric power resources must be elevated to a higher scientific level.

In accordance with the concrete conditions of the country, the party worked out the program of development of the energy system, having in mind that it should progress at a more rapid pace in order that it may lead in implementing the ever increasing demands of the economy, aiming at rationally utilizing the hydropower resources of a national and local character, as well as thermal power resources. Priority has been given to the construction of hydroelectric power stations and to the assurance of the simultaneous work of all energy producing resources and of distribution and transforming equipment in the single power system of the country, in order to improve the level of the guaranteed supplying of consumers and the economic effectiveness of the resources.

The hydropower reserves of our country constitute one of the most profitable riches of the economy. The climate factors that are characterized by abundant rainfalls, the mountain relief of our country and the geological and topographic conditions of our valleys, have created a rich and developed hydrologic network. About 65 percent of the annual stream waters flow into the main rivers of the country which is important from the point of view of hydropower resources. Of the approximately 31 million cubic meters of water, that our rivers carry during the year, about 50 percent are carried by the Drin and Vjosa rivers. From the point of view of hydropower reserves, our country is considered as being among the richest countries in Europe, for its area. So far, about 20 percent of the hydropower reserves have been utilized; therefore, the possibilities exist for supplying the needs of the country with hydropower for some decades to come and, even, to export the surplus.

The studies made by our specialists have brought into the open the fact that foreign scholars deliberately reduced the data about the hydropower reserves in our country, because, they wanted to create the erroneous idea that our country was poor in this field. The Chinese revisionists were also involved in this hostile and anti-Albanian activity; they did everything possible to sabotage the construction of the Vau i Dejes and Fierze hydroelectric power stations. But, their plans failed shamefully thanks to the consistent and revolutionary attitude of our party which, relying on the efficiency of our specialists, educated in the love for the country, courageously rejected their vile assertions. The studies made in the hydroelectric power field have proven that not only the utilization of the main rivers on which projects of a national character are being constructed, but also the utilization of the local hydropower resources in which it is possible to produce a quantity of electric power equal to about three times that what is produced now by the "Karl Marx" hydroelectric power station in Ulze are of economic interest.

Of particular importance also is the utilization of thermoelectric power reserves, especially the production of electric and thermal power by the rational use of coal.

The party guideline to replace liquid fuel with solid fuel is one of the main directions of our work. As a result of the measures, that have been taken, it has been possible to replace, every year, by means of the power system of our country alone, about 200,000 tons of liquid fuel with gas and solid fuel. Decision No 166 of the Council of Ministers is a great work program for the workers of the energy sphere in all sectors of the economy.

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In the conditions of such rapid development, great and complicated technical and scientific problems have continually confronted the workers of the power sector; these problems were faced and successfully solved by our specialists. Our power workers have struggled and have been capable of liquidating the relative backwardness that had existed, on the one hand, between the high scientific level of technology in the power sphere, that responds to the most advanced science, and the technical capacities insufficient to respond to this qualitative development at very rapid rates. This was made possible by having always in mind the recommendation of the party regarding the necessity of deeper analysis of the problems of the technical and scientific revolution by all specialists at the base and in the center. We have always begun with the thought that the problems of the power system are our own problems, that they are specific and that they are increasing and continually dynamic; therefore, only reliance on our own forces, as the party recommands us, makes it possible to successfully solve many qualitative technical problems without which the power system cannot function normally as a live organism.

Starting from and based on these teachings, many important technical problems have been successfully solved. Thus, at the Fier thermoelectric power station, technical measures were studied, designed and implemented, leading to the increase of the production capacity of boilers; rational methods were applied to reduce the effectiveness of corrosion in the thermoelectric power equipment; and the reasons for the damage to the electric insulation of equipment in the 6 kilovolt feeders from the ferroresonance effect were established; and, in the area of the industrial zone, the operation of the 25 megawatt turbogenerator, as a compensator, was studied and implemented, and the T G E was repaired and so forth. At the Vau i Dejes hydroelectric power station, workers studied and successfully solved the most suitable scheme for the 220 kilovolt "zbarave", and the protection and automation, which assure the guaranteed supplying of the system with electric power, in the conditions of supplying energy for export by some aggregates of this hydroelectric power station; while, at the Fierze "Light of the Party" hydroelectric power station, the power workers studied and successfully solved the possibility for exporting energy without reducing the guaranteed supply of electricity to consumers in the country; the problem of removing the consequences of corrosion in the working wheels of hydroturbines was solved; and many pieces, equipment and spare parts for the aggregates, which in the past were imported from abroad (now about 92 percent of them are produced in the country), are produced on the spot and so forth. Likewise, in the other power projects, such as in Korce, Maliq, Cerrik, Vlore, Bistrice, "Stalin" City and so forth, many technical problems were solved, making possible the normal functioning of the aggregates, improving the assurance of the power supply and increasing the economic effectiveness.

Good work was done in replacing liquid fuel with solid fuel at the thermoelectric power stations in Vlore and Tirana; and the conversion of the thermoelectric power stations in Ballsh and Cerrik into gas was studied, designed and carried out with success and so forth.

Putting into operation important consumers of electric power, such as the "Steel of the Party" metallurgical plant, the polyvinyl chloride plant in Vlore, the petroleum processing plant in Ballsh and so forth, has placed before the power system special qualitative requirements for providing power, because, these consumers not only do not allow interruptions of power, but also they do not permit prolonged reductions of tension. These special requirements for supplying consumers with power, the putting into operation of powerful energy resources and the great expansion of the power system, which covers the entire territory of the country with more than 2,500 kilometers of 35, 110 and 220 kilovolt tensionlines, have placed before power workers and specialists great tasks and responsibilities. To respond to these requirements, 466 workers and specialists from the grassroots and the center have been activated and are working on 181 scientific study themes.

To solve important technical problems, we are working for the broad introduction and utilization of rational scientific methods through close cooperation with the Mathematical Computation Center of the Academy of Sciences and the university departments. Thus, important problems have been solved, such as: the designing of the best blueprint for the power system that assures the most rational distribution of power fluxes both in the direction of reducing losses in the network and in the direction of increasing the assurance of the guaranteed supplying of consumers; the problem of parametric oscillations in the 35 kilovolt system in Tirana and Ballsh, which in the past was causing disturbances in the system, was solved with the assistance of Bardhul Golemi, doctor of technical sciences; problems concerning the level of tension in various points of the power system have been studied, in normal conditions and in conditions of breakdowns; and the study for determining the level of insulation of the 220 kilovolt line, which connects the Vau i Dejes hydroelectric power station with Tirana, was terminated, making it possible to draw the important conclusion that, from the atmospheric discharges that lead to outages in the lines, in about 15 percent of the cases, the 2 circuits of these lines, attached to the same pole, are switched off. Likewise, in the Fierze-Vau i Dejes line, the currents of short connections in the various points of the power system for determining the duties of protection and automation, the problems of the discharge of loads in the conditions of the lowering of frequency in the power system, the necessary technical minimum of work in the electric power stations in the conditions when the rivers carry too much water and the situation of the loading of lines and of special main lines in the conditions of breakdowns that are accompanied by disturbances in the important lines--all are studied and established by the means of electronic apparatuses. Studies have also been carried out on chemical problems, especially on the reduction of the consequences of corrosion through the utilization of rational methods, such as the use of ammoniac and the use of centralization and preservation of boilers and turbines and so forth; while, in regard to thermal problems, attention has been concentrated in the area of reducing the consumption of fuel per production unit and of burning coal with lower calorific power and so forth.

In the conditions of the invigoration of the power system, as a result of the introduction of new powerful energy resources, especially of the "Light of the Party" hydroelectric power station in Fierze which will double the established power of the system when the hydroelectric power station will work with full capacity and will raise more than 20 times the hydroelectric power reserves, that will be gathered in the great lake which has begun to take shape, other and even greater and more complicated problems will confront power workers so that they will respond to the great requirements imposed on the power system for supplying power to all consumers in general and to those consumers of great importance in particular.

Special attention is being given to the scientific processing of the hydroelectric power basins in order to assure the best utilization of hydropower reserves. For this, a group of power specialists and of mathematicians are working together with the Mathematical Computation Center of the Academy of Sciences, the University, the Institute of Hydrometereology and so forth. The conclusion of this study will make it possible, in accordance with the quantity of water carried by the rivers, that is calculated at 75 percent with certainty, to determine the optimal quantities that should be kept in the lake in the different periods of the year, especially in summer.

The increase of the static and dynamic stability of the power system in conditions of extreme regimens, in winter and summer, especially in the minimal regimen with electric power stations; the closing up of the 220 kilovolt-rings with the commissioning of the first Fierze-Burrel-Elbasan line; the determining of the best scheme of the configuration of the power system in order to assure a guaranteed supply of energy and a minimal loss in the network; the determining of the degree of insulation of the special lines, especially of the 220 kilovolt lines; the use of rational scientific methods for the rapid and precise discovery of defects in the aerial cables, especially the transitory cables; the determining of parametric oscillations in the 220 kilovolt lines and the finding of the ways to eliminate them and so forth, all are important problems concerning the technical and scientific revolution, problems that demand special attention and concern from us, the workers of the power sector.

The reduction of the various losses because of the domestic needs of the power stations, especially in the thermoelectric power units, the reduction of norms for the consumption of fuel through the improvement of different schemes and reconstructions, the replacement of liquid fuel with solid fuel, the discovery of the causes of corrosion and of cavitation and the determining of the measures for reducing their negative effect and other machine, chemical and thermoelectric power problems, also are important tasks concerning the technical and scientific revolution in the field of energy resources. The successful solution of these problems, and of other problems, sets forth before us important tasks for the continual improvement of the technical and vocational training of workers so that the close specialization in some key problems will be achieved, such as, automatic regulators of the tension and of the speed of automation of tele-measurements and so forth. This requires the further improvement of cooperation with specialized institutions such as the Academy of Sciences, the university, Studies and Design Institute No 3 of the Ministry of Construction and so forth. This requires, among other things, the perfection of work organization and the invigoration of the research nucleus in the center of the system so that the acute problems assigned to the power sector will be solved on the best scientific level in accordance with the ever-increasing quantitative and qualitative demands on the power system.

The power workers, relying on the party teachings, have all the opportunities to respond to the very important and responsible tasks assigned to the power system.

9150
CSO: 2100

EFFORTS TO INCREASE CONSUMER GOODS PRODUCTION EMPHASIZED

Sofia OTECHESTVEN FRONT in Bulgarian 2 Oct 80 p 2

[Article by Georgi Stoyanov: "More Goods on the Market"]

[Text] The great concern of the people about an ever better supply of consumer goods found a new and bold expression in Comrade Todor Zhivkov's report this May at the meeting of the Secretariat of the BCP Central Committee with the first secretaries of the okrug party committees and ministers. At present all attention is concentrated on the consumer goods producers, not only the economic enterprises in the system of the Ministry of Light Industry, the National Agroindustrial Union and the TsKS [Central Cooperative Union], but also on the labor collectives of the enterprises of all branches of the national economy.

All practical and organizational work done on the basis of consistent application of the economic approach must be aimed at uncovering all additional sources for production of more goods and of better quality and wider selection as well. First of all it is necessary to fulfill the counterplan in order to ensure regular deliveries of the contractual production.

The main task should be to increase production of goods which are in greatest demand on the market. This requires a flexible structure of production so that it might better adapt to the needs of the people. The trade system needs products that satisfy the sophisticated taste of the people and not such that remain unsold.

Due to the higher purchasing power of the workers in our country there is a greater demand for new, stylish and luxury goods and delicatessen products. The contemporary socialist worker looks for fine fabrics and stylish clothes and shoes. Delicatessen products are now also found more often on his table. Our production must meet these daily needs of the people.

At the same time, production by the enterprises manufacturing goods for widespread use should be expanded, particularly production of haberdashery items, which has still not been developed according to existing conditions and capacities. And in this case as well, all attention should be focused on production of goods which are in demand by the population but not provided by the main production system, including also different types of small articles.

Internal Trade could play a very important role in this line. It should supervise most strictly the fulfillment of the contracts concluded with the producers. Direct ties of producers with the market should be encouraged. They have every right to offer their goods to the trade organizations without any middleman. In this manner the chain of shops will continue to expand.

At present the management of each town or village system must directly keep track of all product assortments on the market and act in time to have them in stock. It has the responsibility of supplying goods produced at enterprises in its own territory, primarily by the system of self-sufficiency. The town or village management also takes care of all improvement of trade services, and at the cooperative markets as well.

Consumer goods supply has become the most important goal for each Fatherland Front organization. They are in position to signal first which goods have not been supplied by the town or village system, and to criticize publicly the managements of the enterprises in their district which do not regularly supply the earmarked production.

Furthermore, the expansion and consolidation of the system for self-sufficiency in the town or village systems, the development of more auxiliary farms for better supply of foods, and the reduction of food prices in public cafeterias, etc. depend greatly on the initiative of the Fatherland Front committees and organizations.

The Fatherland Front organizations should also increase public control on trade services. One should never consider it normal for the managers of some stores to justify the absence of one or another product from the stand by the words "It has not been delivered." They should not rely on others but should most earnestly try to find the goods in the storehouses or at the producers. The Fatherland Front in the neighborhood or in the town and village system should not budge from this position.

More goods of better quality and assortment must become a national goal and its fulfillment depends at present on the Fatherland Front organizations.

1010
CSO: 2200

INDUSTRIAL PRODUCTION DURING JANUARY-AUGUST 1980 PERIOD

Sofia IKONOMICHESKI ZHIVOT in Bulgarian 17 Sep 80 p 4

[Report submitted by the Committee for Unified Social Information System: "Bulgarian Industrial Production for January-August 1980"]

[Text] The commodity marketing plan for the first 8 months of the year was fulfilled 100.2 percent. Units which scored the highest over fulfillment included the Committee for Heavy Investment Machine Building, the Metal Cutting Machines Plant DSO [State Economic Trust], the Shipbuilding DSO, the Elprom DSO, the Cables and Wires Economic Combine in Burgas, the Farmakhim DSO, the Petrochemical Combine in Burgas, the Rila and Pamukoteks Economic Combines, and the Vinprom DSO.

Compared with the January-August 1979 period the volume of overall industrial output rose 4.2 percent.

The fulfillment of the commodity output marketing plan by ministry and the rate of growth of output were as follows:

Ministry	January - August 1980	
	Fulfillment of the plan for the marketing of the commodity output, January - August in %	Overall Industrial output in % of January - August 1979
Ministry of Power Supply	102.2	109.0
Ministry of Chemical Industry	101.3	110.9
Ministry of Machine Building	102.2	104.5
Ministry of Electronics and Electrical Engineering	102.0	109.4
Ministry of Light Industry	102.8	104.1
National Agroindustrial Union	97.6	99.4
Ministry of Construction and Construction Materials	95.1	101.7
Ministry of Metallurgy and Mineral Resources	101.0	104.0
Ministry of Transportation	96.8	104.0
Ministry of Forests and Forest Industry	96.5	103.1
Ministry of Internal Trade and Public Services	101.6	98.9

The production of basic industrial commodities rose as follows:

		Output		Jan-Aug 1980 in % of Jan-August 1979
	Measure	Aug	Jan-Aug	
Electric power	million kw hours	2598	22602	106.7
Coal	thousand tons	2723	20587	106.4
Briquettes	" "	121	927	109.3
Rolled ferrous metals	" "	264	2030	103.0
Hot rolled steel sheets	" "	114	856	114.2
Plastic lined steel sheets	" "	1.3	10.6	119.7
Steel pipes	" "	20	160	103.0
Electrical instruments	thousands	23	187	110.4
Lathes	pieces	734	6062	129.1
Electric hoists	"	9528	76628	104.4
Forklift trucks	"	3800	29799	92.0
Gas operated lift trucks	"	1684	14547	106.1
Nitrogen fertilizers	thousand tons	58	492	110.9
Polyethylene fabric	" "	1.7	12.7	124.1
Chemical staples and fabrics	" "	8.6	65.5	108.3
Cement	" "	457	3477	93.7
Tiles	thousands	8009	52134	104.4
Pressed wood and other wood tiles	thousand cubic meters	22	204	103.3
Paper	thousand tons	28	203	97.1
Household glassware	thousand leva	1570	16569	112.7
Porcelain tiles	thousands	19392	163992	155.9
Household porcelain-ware	thousand leva	2865	23738	105.2
Woolen fabrics	million meters	3.0	25.1	108.4
Silk fabrics	" "	2.7	22.2	107.8
Knit outerwear	million pieces	3.2	26.6	109.7
Meat	thousand tons	39.9	290.4	97.6
Vegetal cooking oils	" "	1.4	91.7	126.9
Tobacco products	" "	6.5	50.8	102.7

Commentary

The August results indicate that the labor collectives in industry took an important step toward the implementation of the task set at the July BCP Central Committee Plenum on the fulfillment of the 1980 counterplan. The considerable overfulfillment of the goods marketing plan is particularly indicative. The August output was six percent above the planned figure while the January-August plan was overfulfilled by 0.2 percent. Most of the branches and economic organizations fulfilled their plans for this indicator.

The commodity output plan was overfulfilled as well by 0.6 percent for the first 8 months of the year. The plan for a number of particularly important items is continuing to be fulfilled rhythmically: for electric power, coal, calcinated soda, nitrogen fertilizers, machine units, cranes, electric hoists, forklift trucks, gas operated lift trucks, household glassware, porcelain tiles, household porcelain ware, fabrics, knitted goods, and many others.

It must be pointed out, however, that existing preserves for greater output with lesser outlays were not fully used everywhere. A number of units continue to fail in the fulfillment of their plans. The main reasons for their lagging are of a subjective nature or the delayed implementation of contractual obligations for the delivery of raw materials, materials, and cooperated items.

A number of units, particularly within the light industry system and the National Agroindustrial Union achieved a lower rate of growth of output in August. This adversely affected the overall growth rate of industry which declined by 0.4 percent compared with the first 7 months of the year.

A total of 44 economic organizations lagged in the fulfillment of their marketing plans. This adversely affected their industrial and consumer funds. A number of units failed to create the necessary organization and conditions for the implementation of the plan for important items such as lathes, electrical instruments, cement, paper, corrugated cardboard packaging, meat, meat products, and some others.

The higher production results achieved by most units and economic organizations in August are a major prerequisite for the successful implementation of the annual plan. However, the weaknesses allowed in the past months indicate that we must work as stipulated by the July BCP Central Committee Plenum: maintaining a tireless pace everywhere for the discovery and timely and fullest possible utilization of all available resources and reserves for the fulfillment of the unified plan by all labor collectives and for all indicators.

5003
CSO: 2200

CZECHOSLOVAKIA

WORKER 'PARTICIPATION IN MANAGEMENT' UNDER SET OF MEASURES EXPLAINED

Prague HOSPODARSKE NOVINY in Slovak 3 Oct 80 p 3

[Article by Ladislaw Jasik, secretary of the Central Union Council: "Worker Participation in Management"]

[Text] "An inseparable part of this improvement of the system of planned management," it is stated in the Set of Measures for Improving the Planned Management System of the National Economy After 1980, "must be a deepening and raising of the quality of worker participation in the management of enterprises and economic production units, in the improvement of work organization, in the strengthening of material interest, and in the utilization of resources committed to the economic, social and cultural development of collectives. This presupposes a systematic improvement in the principles of democratic worker participation in management."

Worker participation in the management of production and the economy fulfills several functions. It is one of the paths to a realization of ownership rights, and through this also to the employment of the individual in the fulfillment of the socioeconomic plan of the CPCZ under the conditions of each workplace. It is one of the paths to the creation of a joint ownership interest on the part of the workers in discovering unused potential and achieving better economic performance. It has an effect on the improvement of management and work organization, especially through the utilization of the collective experiences of workers. It is one of the forms for overcoming the nonantagonistic differences between management personnel and those being managed. The implementation of these functions is constantly creating and deepening the consciousness of workers as economic participants in a socialist state.

Where is the Unused Potential?

The results which have been achieved will not suffice to fulfill the targets of the Sixth Five-Year Plan. The Set of Measures is a call primarily to federal and economic agencies, and to the Revolutionary Trade Union Movement, as the bearers and organizers of democratic worker participation in management, to seek out and utilize unused potential for deepening and increasing the quality of economic performance. This potential rests, above all, in the elimination of the following errors and shortcomings:

1. The underestimation of worker participation in management. While most economic managers fully recognize and are creating the conditions for worker participation in management, there are still sufficient managers to whom it mistakenly seems that this is a formality decreed from "above" and that therefore it must be taken into consideration, but who in reality say that it contributes nothing, complicates management, holds up decisionmaking, and intrudes on the competence of management personnel. And, a onesided comprehension of the scientific technical revolution is leading several top managers to the illusion that the technical side of this revolution will resolve, by itself, social relationships in production;

2. A formal approach to the development of individual forms of worker participation in management, where "participation" in socialist competition is understood formalistically, as assuming a mere advisory role, as passive participation, as giving approval; as is, for example, "the right to be informed"--at production consultations, the right to attend member meetings and conferences of the Revolutionary Trade Union Movement, etc. Worker participation in management is, then, not being implemented as the exercise of the rights and resposibilities of every worker; to participate directly or indirectly, in accordance with his knowledge and abilities, in the most varied groupings for the most efficient utilization of social resources, for their constant development in the interest of meeting plan targets and the satisfaction of the needs of the entire society;

3. Prevention of the separation of responsibility for the development of individual forms of worker initiative from economic management and the overall activity of union agencies and organizations. This is evident, for instance, in the insufficient focusing of commitments on increasing the efficiency and quality of production, in the contradictory effects of several economic instruments, in the failure to fulfill rationalization programs, in the slow implementation of suggestions for improvements and inventions, in the overlooking of progressive experience, in the fact that pressing production problems are not resolved at production consultations, that collective agreements do not contain measures for the elimination of equality in compensation, for the strengthening of technological and labor discipline, etc.;

4. Refusal to permit the neglect of the creation of the economic, technological, and organizational conditions for the development of the exercise of individual initiative. For instance, integrated indicators such as the lowering of material costs, profit, final product quality, and others, are not being worked out at collectives in such a way that each worker has a role in their assurance according to which he would receive his wage, premiums and compensation. This applies also to incomplete construction projects, production for which technology and materials are lacking, as well as electrical energy sectors, and insufficient supplies of railroad cars, spare parts, equipment, etc.;

5. Refusal to be satisfied with the reality that the ideological-educational, propaganda, and agitational work of the Revolutionary Trade Union Movement has little effect and is undifferentiated. Many enterprise, factory, and workshop committees of the Revolutionary Trade Union Movement, and its sectoral agents, do not connect the signing, inspection, fulfillment and evaluation of socialist commitments, the resolution of thematic tasks, the implementation of rationalization

measures, suggestions for improvement and inventions, the exchange and spread of progressive experiences, with the improvement of educational, propaganda, and agitational resources, with an increase in their influence and effect.

Implementation Counterplanning

An important task stems from the Set of Measures for party, state, economic, and union agencies: achieving a fundamental turnabout in the organization of worker participation in the preparation of five-year and yearly implementation plans, especially with the aid of implementation counterplanning. This is important form of active worker participation in the discovery and utilization of internal unused potential, so that the established goals are reached more rapidly and with less consumption of all kinds of resources.

Implementation counterplanning originates from the five-year plan targets for an organization for a given year, including the directions established for the organization by its supervisory agency during the preparation of the yearly plan, and from the established connections among the decisive qualitative objectives and norms of material incentives. These connections are a component of the five-year plan, determine the basic direction of implementation counterplanning, and are the starting point for its material incentives.

It is important that the economic production units assure, in time, for their subordinate enterprises, a comprehensive, differentiated, balanced breakdown of guideline numbers in the five-year plan proposal and yearly implementation plans which has been coordinated with supervisory organizations in terms of volume, time, and quality. The enterprise management will then assure the elaboration, down to the workshop level, of the breakdown of guideline numbers in the plan proposal, which express requirements for the growth of labor productivity, the conservation and higher valuation of fuel and energy, raw materials and stock, increased final product quality, lower production of defective goods and less waste in production, the better utilization of production capacity, and increased health and safety regulations at the workplace.

The unions, in conjunction with management, have as their task at production consultations the familiarization of workers with the guideline figures of the proposed plan for the enterprise, factory, and workshop, with the incentive conditions of its formulation and implementation, and with the causes of lags in the qualitative aspects of production. Another task is to discuss ways of mobilizing internal potential. At the same time it is essential that inventors and those who improve operations, the exemplary and best workers, the comprehensive rationalization brigades and the socialist work brigades establish concrete objectives directed at the uncovering and utilization of unused potential in the consumption of labor value added and labor content, the strengthening of qualitative plan indicators, labor productivity growth, an increased share of top-quality products, the utilization of capital stock and increased use of shift work, an increased tempo of scientific technical development, a decrease in the term of capital investment, increased production of products in short supply for the domestic market, a greater fulfillment of export deliveries, etc.

In the event that the strengthening of objectives through implementation counterplanning will create higher comsumption of energy, raw materials, stock, and intermediate products, the proposing organization and its supervisory agency should resolve the coverage of these needs with the supplier within the framework of the negotiation of supplier-consumer relations during the process of plan formulation. At the same time, the supplier may not weaken the material fulfillment of the targets of his remaining consumers.

The enterprise management must establish, given the existence of intraenterprise khozraschot, and on the basis of incentive relationships, concretely differentiated objectives for the individual intraenterprise units (collectives). It focuses above all on those areas which represent a crucial contribution to the achievement of objectives, particularly qualitative ones. In conjunction with agencies of the Revolutionary Trade Union Movement, management must simultaneously establish rules, according to which a given intraenterprise unit will share in the utilization of incentive resources which it has helped to create, and under what conditions material penalties will be applied.

Implementing the Plan

The Set of Measures directs state and economic agencies, in close conjunction with the organs of the Revolutionary Trade Union Movement, to organize informal socialist competitions for greater production efficiency and the quality of all kinds of work, to conclude with more rigor and responsibility united socialist commitments, to develop international competitions for the assurance of the comprehensive program of the CEMA countries, to develop all aspects of the socialist work brigade movement, as well as of comprehensive rationalization brigades, of inventors and those who would improve operations, and to study, generalize from, and expand progressive experiences and work techniques, improve the organization of production consultations, increase the role of collective agreements, and other steps as well.

The Set of Measures does an incomparably better job than previously of creating the conditions for the development and implementation of the above, as well as additional forms of worker participation in management. From the very first day, however, it is necessary to set ourselves resolutely against chasing after numbers and percentages, against all manifestations of formalism and bureaucracy. Party and union agencies must also vigorously require the creation of the necessary conditions.

Some comrades, for instance, mistakenly think that formal socialist commitments of the type "we will raise quality," "we will conserve," are the outcome of worker superficiality of poor union work. The problem lies elsewhere, Many workers and work collectives are not aware of precise plan targets every day and hour, or even for weeks at a time. They are not assured of regular material and energy inputs, nor are they aware ahead of time of possibilities for receiving premiums, etc. This situation then leads them to the conclusion of formal commitments. And several relevant Revolutionary Trade Union Movement organs put up with this condition in silence. An improved management system categorically requires that everyone recognize precisely his role in plan implementation, which he expresses in a socialist commitment. To enable us to achieve these targets managers, and especially foremen, are responsible for assuring, ahead of time and with the help of the unions, an optimal division of labor, a plan breakdown by workplace and, as much as possible, by individual, the orderly organization of production and work, and a system of material and moral incentives for achieved performance. Only then should they, and they are required to do so, together convince, win over, and assist workers in the conclusion and fulfillment of "personal (collective) commitments, plans, or socialist accounts," in the fulfillment and overfulfillment of the specified targets for performance, quality, fuel and energy conservation, savings in raw material and stock inputs, and of targets for improving operations and inventiveness, in comprehensive socialist rationalization in the application of new work methods and an increase in professional qualifications. It is impossible to avoid the requirement of comprehensiveness in concluding of socialist commitments.

Under conditions in which we must lower the extent of investment and limit imports, further progress in economic development depends on the more decisive utilization of scientific and technical findings, which must represent higher utility values, a lower consumption of time, a significantly lower consumption of energy and inputs, and higher quality. The political ideological work of party and union organizations, of the SZM (Slovak Union of Youth) and the Czechoslovak Scientific and Technological Society is aimed at rallying support for such positions as the choice and fulfillment of high goals, using world standards as a guide, the achievement without exception of economic and technical specifications, the utilization of the experiences of the best workers, and the rapid implementation of inventions and suggestions for improvements.

Improving the management and planning system will enable us to apply, in developing worker initiative, not only comprehensiveness, but also long-range considerations. We will be able to seek out and apply forms of work with comprehensive rationalization brigades, with inventors and improvers, with socialist work brigades, so that their creative efforts can be focused on new technology, and technologically longer-range solutions, which will result in the saving of work space, the freeing up of labor, a reduction in average consumption of fuels and energy, raw materials and other production inputs, and an increase in the quality of final production.

It is necessary to devote extraordinary attention to the content of personal (collective) commitments, plans, socialist accounts, and creative plans, and in every case be sure that their total assures the minimum fulfillment of the plan for the workshop, operations, and factory for all indicators. In this way we can achieve a fundamental turnaround in the quality and effectiveness of socialist competition, in the inventor and improver movement.

Inspection and Evaluation of Performance

The formal inspection of target fulfillment and equality in labor compensation are in many instances a major reason that the level of efficiency of the work of people in increasing productivity, efficiency and quality with the aid of science and technology, a more rational organization of work, and conscious discipline has been insufficient. The Set of Measures provides a number of suggestions for improvements in this area.

In many enterprises, for instance, it is already proving useful for managers, not only at party meetings, but also at production consultations and Revolutionary Trade Union Movement conferences, to inform the workers of the reasons for the underfulfillment of parts of the plan, about the ways that the conclusions of comprehensive economic analyses are being used, etc. so that the workers can evaluate them, form an opinion, and present their suggestions.

Management personnel, in conjunction with the unions, are also creating additional conditions for the broad participation of workers in the inspection of plan fulfillment, and an increase in their role in the elimination of the determined shortcomings. The issue is, above all, public inspection of the fulfillment of collective agreements, rationalization programs, socialist commitments, and the implementation of suggestions for improvement and of inventions. Public viewings are beginning to be organized of new technology, of the organization of production and of work, and of capital stock utilization, at which workers are led to the uncovering of unused capacity for increasing productivity, efficiency, and quality. The upholding of socialist legality, labor and technological discipline, the quality of factory food and social amenities, and the fulfillment of measures increasing the health and safety of the workplace are all inspected publicly. Workers are provided with information necessary for evaluating production technological, and economic targets and problems. The party and unions protect the initiators of justified criticisms and suggestions from possible discrimination on the part of those criticized or defenders of outmoded techniques and work methods. They see to it that the accountability of managers increases for the flexible utilization of comments and suggestions of the workers and their implementation.

All of this helps. Therefore it is necessary to apply, on a mass basis, similar measures. Management, in conjunction with the unions, should at the same time consider those measures from the Set of Measures which lead to the broad participation of workers in the practical application of the socialist principle of "Each according to his ability, to each according to the results of his work." It is necessary to explain to the workers, in time, the consequences of the fulfillment or underfulfillment of plan targets on their personal and collective stake in the operation. It is also necessary to organize appropriate forms for their participation in the preparation and implementation of all measures related to principles, wages, and politics. The effect of material and moral incentives should be publicly evaluated. The application of wage practice must be controlled in a consistent manner. Conclusions must be drawn regarding responsible managers who violate wage-political guidelines, put up with irregularities in performance norms or condone egalitarianism, and who neglect to make work standards and specifications more precise. The demands of the workers must be respected regarding an increase in rigor in the awarding of moral evaluations to individuals, collectives, and others.

9276
CSO: 2400

AUGUST 1980 ECONOMIC RESULTS SUMMARIZED

Prague HOSPODARSKE NOVINY in Czech 26 Sep 80 p 2

[Summary by the Federal Statistical Office: "August 1980"]

[Text] The results achieved in the economic development in August as well as from the beginning of 1980 were affected by the fact that there were 2 working days less than in the same period of last year. This led to a considerable slowdown of dynamism, particularly in August, of a number of volume indicators.

The fundamental features of development of the national economy during the first 8 months of the year can be summarized as follows:

--in industry, the plan targets were generally surpassed in all directions of sales as well as in industrial production;

--in agriculture, the increase in the number and gross live weight of domestic animals was reflected in the better fulfillment of tasks in the purchase of animal products;

--in the building industry, the production plan was not fulfilled and the structure of construction work diverged from the plan estimates. Particularly small was the volume of construction work in comprehensive housing construction;

--in public freight transportation, the plan targets were surpassed in all branches of freight transportation;

--in foreign trade, the total exports increased more rapidly than the total imports. The more rapid increase in import prices than export prices led to the deterioration of exchange relations;

--in domestic trade, the sum of enterprise plans of retail turnover was surpassed in the main trade systems. Some shortcomings were reflected in the assortment of goods sold.

In the centrally planned industry, the growth rates were higher than anticipated by the annual plan in all main directions of sales (with the exception of domestic trade deliveries at retail prices) during the entire January-August 1980 period in comparison with the same period of last year. The enterprise plans also were surpassed in all directions of sales. The enterprise plans were most significantly surpassed in the deliveries for export to nonsocialist countries at "all charges paid" (franko) prices—by 7 percent (by 3.5 percent at wholesale prices—the increase in deliveries to nonsocialist countries at franko prices was affected by the price increases). The deliveries for export to socialist countries at franko prices were surpassed by 6.4 percent (by 6.3 percent at wholesale prices). Domestic trade deliveries at retail prices were fulfilled by industrial enterprises 101.2 percent, and other sales for manufacturing consumption and operation 100.3 percent.

The fulfillment of planned tasks by industry continued to be inadequate. Only 50 percent of organizations met all indicators specified for the regular evaluation of plan fulfillment during the January-July period of 1980. A ratio of organizations complying with all indicators was particularly low in the sectors supervised by the SSR Ministry of Industry, the CSR Ministry of Agriculture and Food and the Federal Ministry of Electrotechnical Industry. More than one-third of organizations did not fulfill the plan of deliveries of machinery and equipment for selected construction projects; more than 25 percent of organizations did not fulfill the deliveries for export to nonsocialist countries at wholesale prices. The nonfulfillment of the plan in regard to specified indicators and compensation for the shortfall by other organizations adversely affected supplier-consumer relations.

In agriculture, the crop was harvested in August later than in the previous years. In animal production, the purchase of slaughter pigs in August 1980 increased by 2 percent, of milk by 3.7 percent, and of eggs by 3.7 percent over the same month of last year. On the other hand, the purchase of slaughter cattle and poultry for slaughter was below the August 1979 level. The rising trend in the purchase of animal products continued in August. In regard to slaughter animals generally, the plan was fulfilled 99.8 percent, while for poultry, milk and eggs it was surpassed from the beginning of the year.

In the building industry, construction enterprises completed construction work with internal resources in the value of Kcs 7.2 billion in August. The enterprise production plans as detailed for August were fulfilled 98.7 percent. The volume of construction work completed in August 1980 was 1.4 percent below the August 1979 level, but the average daily production increased by 8.0 percent. Both the number of workers and labor productivity remained 0.7 percent below the August 1979 level. Contracting construction enterprises completed 4,619 housing units which was 207 less than in August 1979. Although the enterprise construction production plans were generally fulfilled 99.1 percent, 139 construction enterprises or 59.9 percent of the total number failed to do so. All indicators specified for the regular evaluation of the plan fulfillment by the construction enterprises were complied with by 45 construction enterprises or 19.7 percent of the total number during the January-July period. A low fulfillment of the annual state plan occurred primarily on the construction projects planned for completion this year.

In capital investment (excluding project "Z" and private construction), despite the higher dynamism of completed capital investment projects and deliveries at current prices than the annual state plan provided for, their material structure deviated from the plan intentions. Deliveries of machinery and equipment outstripped construction work. In accordance with the state plan, delivery capacities were primarily directed to the construction projects specified as mandatory tasks in capital investment. The annual state plan of investment work and deliveries was fulfilled 54.5 percent during the January-July period.

Public freight transportation carried 53.4 million tons of goods in August. The transportation volumes planned for the month were generally met 99.7 percent: 100.2 percent by railroad transportation and 99.0 percent by CSAD [Czechoslovak State Automobile Transportation]. River transportation substantially surpassed the monthly target--107.5 percent. The volume of transported goods, however, was 4.1 percent below the August 1979 level. In comparison with the same period of last year, the quantity of goods transported by public freight transportation increased by 2.7 percent during the January-August 1980 period. The goods transported during the first 8 months of this year, amounting to 418.2 million tons, represents 66.3 percent of the annual state target.

In foreign trade at current prices, the turnover with the nonsocialist countries slowed down in August. The planned annual growth rates were surpassed both for total imports and total exports from the beginning of the year. In comparison with the same period of last year, total imports increased by 14.2 percent during the January-August 1980 period. Prices continued to increase more rapidly. Moreover, import prices increased more rapidly than export prices in trade both with the socialist and nonsocialist countries.

During the first 8 months, exports to the socialist countries reached 62.7 percent, and imports from them totaled 61.1 percent of the plan target. In relation to the nonsocialist countries the corresponding figures were 59.6 percent for exports and 59.4 percent for imports.

In domestic trade at current prices the population bought goods amounting to Kcs 17.8 billion in August, which was 6.9 percent less than in August 1979. Purchases in the organizations of the Ministry of Trade amounted to 90.9 percent and in the organizations of consumer cooperatives to 95.0 percent of the August 1979 level. The retail turnover in the main trade systems amounted to Kcs 136.7 billion, in the trade network to Kcs 119.3 billion, and in the public catering sector to Kcs 17.4 billion during the January-August period. In comparison with the identical period of last year, the retail trade turnover in the main trade systems increased by 3.1 percent, while the enterprise growth plans were fulfilled 101.1 percent during the first 8 months of this year.

The balances on personal savings accounts decreased Kcs 62 million from 15 July to 15 August. All deposits amounted to Kcs 151.3 billion as of 15 August 1980, which was Kcs 3.7 billion more than a year ago.

Money supply reached Kcs 42.9 billion on 31 August 1980.

10501
CSO: 2400

Basic Indicators of Development of National Economy in April 1980
Increments Over Comparable 1979 Period (in percent)

	August	January-August	State Plan[1]
Sales:			
Deliveries for investment at wholesale prices	-	1.1	-4.5
Domestic trade deliveries at retail prices	-	3.2	4.8
Deliveries for export to socialist countries			
--at wholesale prices	-	7.1	3.5
--at all charges paid [franko] prices	-	10.1	8.0
Deliveries for export to nonsocialist countries			
--at wholesale prices	-	6.8	3.9
--at all charges paid [franko] prices	-	22.9	14.5
Other sales for manufacturing consumption and operations at wholesale prices	-	3.9	-
Industry:			
Volume of industrial production	-3.3	3.3	3.7
Average number of employees	0.6	0.7	0.7
Labor productivity	-3.9	2.5	2.8
Construction:			
Construction work completed with internal resources	-1.4	2.1	4.5
Average number of workers	-0.7	0.1	0.4
Labor productivity	-0.7	2.0	4.1
Housing units delivered by contracting enterprises	-4.3	-1.9	16.8
Procurement:			
Slaughter animals (including poultry)	-1.3	-0.1	0.4
Milk	3.7	6.9	1.8
Eggs	3.7	5.4	3.2
Retail trade:			
of the main trade systems	6.9	3.1	2.2[2]
Foreign Trade:[3]			
Exports to socialist countries	3.8	12.8	8.0
Exports to nonsocialist countries	-1.4	29.0	16.5
Imports from socialist countries	0.3	8.9	8.9
Imports from nonsocialist countries	-7.1	23.8	8.0

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1. Increments compared to actual 1979 results with exception of industrial work indicators.
2. All trade systems.
3. Data on actual results refer to actual transactions and the state plan does not include unplanned actions in the framework of cooperation,

GDR SEEN NEEDING FRG AID FOR ENERGY PROBLEMS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 11 Aug 80 p 8

[Article by Peter Jochen Winters, datelined Berlin, in August: "Honecker Hopes for Schmidt's Help--The GDR Urgently Needs Support To Remedy Its Energy Needs"]

[Text] After its national economy plans with the USSR for the years 1981 to 1985 are approved, the GDR will know for certain that it is facing an energy crisis unless it succeeds in closing the gap between crude oil shipments from the USSR and the GDR economy's demand for crude oil. In the coming 5 years, the GDR will receive from the Soviet Union 19 million tons of crude oil annually, and not a drop more. This is the same amount as in 1979. The growing demands for energy in the GDR must thus be covered by opening up new energy sources, by shifting to other energy supplies, and by the most economical use of energy. About 15 percent of all the consumed energy in the GDR is, at the present time, used for transportation. The precarious energy situation thus hits the GDR transportation system especially hard. "How can you transport more people and goods with less energy?" The answer to this question will help to determine the future economic development of the GDR.

State Secretary Schmidt of the GDR Transportation Ministry recently stated in an interview with NEUES DEUTSCHLAND that approximately two-thirds of the total diesel oil supply in the GDR is used by the transportation system, including company traffic. Computed on a scale of 100, this means that about 53 percent is used up by automotive traffic, 35 percent by the railroads, and 12 percent by maritime traffic. These rates point out clearly where a start must be made to lower energy consumption absolutely and still take care of all the transportation needs of the national economy. In his speech on 25 January to the first kreis secretaries in East Berlin, SED General Secretary Honecker pointed in the right direction when he said: "The introduction of more efficient transportation technology and the improvement of transportation methods will noticeably lower the consumption of diesel and other combustion fuel. For this purpose, transportation must be increasingly shifted from roads to rails. The railroad network must increasingly be changed over to electric power."

As urgently needed, from the point of view of energy economics, as the changeover of transportation from road to rail and the increasing use of electricity for the railroad network might be--railroad transportation uses approximately one-third of the energy used by truck transportation, on electric railroad tracks even only one-eighth--the realization of these demands raises problems which the GDR will not be able to solve alone. More transportation by rail requires greater usability of the railroad network than is presently available in the GDR where the effects of the war have not yet been eliminated by any means: after 1945 the victorious Soviets had dismantled in their occupation zone all second tracks on dual track lines and had them sent to the USSR. Even today, most railroad tracks in the GDR are one-line tracks because it is only since 1971 that there has been a determined effort to reconstruct dual track lines. But this reconstruction can be accomplished only in a limited way each year. Last year, 132 kilometers were rebuilt and this year 150 kilometers are planned for reconstruction to dual tracks.

The changeover to electricity is also proceeding much too slowly. Of the total of 14,000 kilometers of railroad tracks in the GDR only about 1,600 are presently equipped for electric power. Between 1976 and 1980, an average of 40 kilometers per year was changed to electric power, that is 200 kilometers for the current five-year plan period. Now, the speed of changing over to electric power is to be intensified. Preparations for the 1981-1985 Five-Year Plan mention an additional 700 kilometers to be prepared for electric power, and thereby approximately 20 percent could be saved in energy by the GDR railroad. However, the exact amount of kilometers planned for the next 5 years does not depend solely on plans made by railroad officials. Secretary Schmidt points out that for the changeover to electric power concrete foundations and new bridge constructions, steel poles and electric guide wires, electric power supply plants and useable locomotives are required. These additional items have to be incorporated in construction plannings as well as plans for metal processing, electrotechnology and electronics.

GDR economy planners are already certain that they will not be able to equip 700 kilometers of railroad tracks with electric power over the next 5 years. So they look to the West for help. After all, between the FRG and West Berlin there are stretches of railroad transit traffic for which the FRG Government and the Berlin Senat have been demanding improvements for years. These railroad lines include five railroad transit lines for passenger traffic which, at the same time, are important lines for the GDR railroad inland service: 1. From West Berlin to Hamburg via Staaken and Schwanheide, across 225 kilometers of GDR territory, 75 kilometers of it single track. This line is not equipped with electric power. 2. From West Berlin to Hanover via Potsdam, Magdeburg, Marienborn, across 161 kilometers of GDR territory, 153 kilometers not equipped with electric power. According to the agreement of 30 April 1980, the 12 kilometers with single track will have a second track added by 1984 so that then dual track operations will be possible all the way from Berlin to Helmstedt. 3. From West Berlin to Frankfurt via Bitterfeld, Halle, Naumburg, Erfurt, Gerstungen, across 349 kilometers of GDR territory, 50 kilometers single track and about 175 kilometers not equipped with electric power. 4. From West Berlin to Nuernberg and Munich via Bitterfeld, Naumburg, Probstzella. 5. From West Berlin to Regensburg and Munich via Bitterfeld, Leipzig, Plauen, Gutenfuerst. The last two transit lines run on the same track as the line to Frankfurt, from Berlin to Naumburg or Bitterfeld, respectively. Of the Naumburg to Probstzella line 25 kilometers are single track and 92 kilometers not equipped with electric power, of the line Bitterfeld to Gutenfuerst 40 kilometers are single track and 61 kilometers not equipped with electric power.

Several months ago the GDR made an offer to the FRG to convert these five lines to dual tracks and equip them with electric power, if Bonn would carry the lion's share of the cost--four-fifths, according to rumors. This would mean the construction of 190 kilometers of second tracks and electric power equipment for about 700 kilometers--a long-range project costing billions. The first reaction of the federal chancellor to the GDR proposal was to wipe it off the table. The reason: there is no money for this project. This reaction is understandable because, after all, the reconstruction of the railroad transit line between Berlin and the FRG, which would make possible the addition of Berlin to the intercity network of the federal railroads, is on the one hand desirable but, on the other, not unconditionally necessary for the life of Berlin. More modest projects would be sufficient, for instance the change-over to electric power on the line Berlin-Helmstedt.

In the Baltic Sea town of Dierhagen at the end of this month, Honecker and Politbureau member Mittag will certainly present this proposal to the federal chancelor and the federal minister of economics. This time, the Bonn representatives should not react negatively right away. This would be the first time, after all, that the GDR is interested in negotiations with the FRG because it wants something from the FRG. The GDR needs Bonn's help in overcoming its energy problems. Up to now, it was the other way around. Bonn always wanted something from the GDR. Therefore, Bonn was always ready to pay a "political price" for agreements with the GDR. This time, Bonn has the advantage and can demand a "political price" from the GDR. In practice this means: Bonn could declare its readiness to negotiate with the GDR on the railroad project if the GDR on its part is ready to make life easier in human terms.

8889
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'IMPORTANT TRADE AGREEMENTS' ANNOUNCED FROM LEIPZIG FAIR

East Berlin DDR-AUSSENWIRTSCHAFT/MESSEBULLETIN in German No 36/3, 4 Sep 80 p 4

[Report by Information and Public Relations Department, GDR Ministry for Foreign Trade: "Important Trade Agreements"]

[Text] As a result of brisk negotiations and business activities, already during the first few days of the fair significant exports and imports were agreed upon.

Among them is a large number of agreements that were concluded between foreign trade organizations of the GDR and the USSR. They are an expression of a continuing expansion of economic relations between the two countries.

During the course of the first few days, the foreign trade organizations had already signed much more extensive agreements with representatives of approximately 30 USSR foreign trade organizations present in Leipzig than was the case at the same time last year.

This brisk business activity with the USSR, which started with the beginning of the Leipzig Fair, is a remarkable expression of the realization of decisive economic agreements between the governments of both countries, such as the GDR/USSR program of specialization and cooperation until 1990, which was signed to mark the occasion of the 30th anniversary of the GDR, the protocol of the planning organs on the coordination of the 1981-1985 economic plans which was issued in February 1980, as well as a large number of accords and agreements on specialization and cooperation between the ministers.

Of special significance for the continually growing export during the next few years are comprehensive agreements which have already been concluded and cover products that require a long startup time before production can begin, for instance, ships and rail cars, as well as complete installations for the chemical industry, metallurgy, energy production and the construction industry. In the area of ferrous metallurgy, for instance, import agreements were concluded for the first half of 1981 between the foreign trade enterprise Metallurgiehandel and the foreign trade enterprise Promsyrioimport. Accordingly, in addition to pig iron the GDR will import 280,000 tons of milling material, such as round bar steel, semifinished products, milling wire and rails as well as 725,000 tons of insulation belts. In the area of nonferrous metals, important agreements were made with the foreign trade enterprise Raznoimport for the import of important nonferrous metals, among them are now more than 8,000 tons of copper as well as zinc, nickel and lead.

The shipments are very important for the stable supply of the GDR economy.

As a result of the talks and negotiations that took place during the international exhibit on shipbuilding and the fishing industry, INRYBPROM 80, which has just been concluded, the foreign trade enterprise Schiffscommerz and the foreign trade enterprise Sudoimport signed export and import agreements in the amount of approximately 145 million rubles, covering the shipment of ships and ship equipment during the years of 1981 and 1982. New projects that are affected are, among other things, cold-storage motorboats as well as bulk-goods freighters. Among other things, the USSR will ship to the GDR large engines from the Fryansk engine factory, producing 15,880 kilowatts (21,400 horsepower), as well as additional ship equipment.

The concluded agreements constitute an essential contribution to the realization of the pact which was signed in June 1980 during the 26th meeting of the Parity Commission of the GDR/USSR governments and which concerns reciprocal shipments of ships and ship equipment as well as scientific-technical cooperation during the 5 years of the 1981-1985 plan.

Shipments of medical technology were agreed upon by the foreign trade enterprise intermed-export-import and the foreign trade enterprise Medexport. During the current international exhibit "Health Care" in Moscow, in which the GDR is the largest participant among socialist foreign countries, displaying a comprehensive collective exhibit, important talks and negotiations have been taking place between the participating foreign trade partners. Among other things, the USSR will receive medical X-ray technology, sterilizers, ultrasound instruments, syringes and cannulas in the amount of approximately 16 million rubles. In addition, the GDR will export laboratory technology. It will import from the USSR a mobile X-ray laboratory and geophysical equipment.

Export agreements with USSR partners were concluded by the foreign trade enterprises Fortschritt-Landmaschinen Export-Import and WMW-Export-Import. They form the basis of imports from Soviet plants of packaging machines and restaurant equipment in the amount of 20 million rubles and machine tools valued at 25 million rubles.

An agreement on the import of an experimental rolling mill was signed between the GDR foreign trade enterprise Industrienlagen-Import and the Soviet foreign trade organization Wneshtechnika. The installation is intended for continuous cold milling of steel tubes in the Rohrkombinat Riesa VEB.

Upon the successful conclusion of the test of this cold milling plant, productivity will increase approximately 10-fold when compared to the presently used cold conversion procedure.

The USSR will purchase from the GDR numerous electronic measuring technology products at a cost of apporximately 25 million rubles. Appropriate agreements were made by the enterprises Heim-Electric Export-Import and Mashpriborintorg.

Reciprocal shipments of goods amounting to 17 million rubles were contractually arranged by the foreign trade enterprise Technocommerz GmbH and the Soviet foreign trade organization Mashinoimport. In accordance, the GDR industry will export, among other things, air and cooling technology products, pump and compressor aggregates as well as fixtures and will purchase from the USSR pumps, compressors and fixtures.

GDR apartment builders will receive from the USSR cast radiators in large numbers.

Within the framework of specialization in production between the GDR and the USSR, the GDR will export to the USSR also in 1981 teletype machines as well as accessories valued at 13 million rubles. Appropriate shipping agreements were signed by the Electrotechnik Export-Import and Mashpriborintorg.

In addition, agreements on reciprocal shipments of cables and wires at a value of 45 million rubles were concluded by Elektrotechnik Export-Import and the foreign trade enterprise Raznoimport. They are especially intended for the supply of the Soviet economy and important integration objects. At the present time intensive negotiations are in progress between representatives from industry and foreign trade organs of both sides concerning agreements on reciprocal shipments of products from the chemical industry, the consumer goods industry and additional areas in machine construction.

An agreement was signed between representatives of the foreign trade enterprise Elektrotechnik Export-Import and the Hungarian foreign trade enterprise Transelektro, providing for shipments to the GDR industry of electroceramics.

The GDR is also importing leather and nonleather shoes from the Hungarian People's Republic.

Agreements for 1981 were concluded between the foreign trade enterprise Chemie Export-Import and the Cuban foreign trade enterprise Quinimport, providing for the export to Cuba of plant protection and pest control products in the amount of 13.9 million marks. The shipments will consist primarily of insecticides for citrus plants. In 1981, Cuba will for the first time buy from the GDR herbicides for feed production and for the application on sugar cane plantations.

Traditional business relations between the GDR and the Socialist Republic of Vietnam will continue, among other things, through shipments of automatic rotating cranes and other hoisting equipment. Appropriate agreements were signed at the fair by representatives of the foreign trade enterprises Maschinen-Export and Machino-Import.

In agreement with the annual protocol concerning reciprocal shipments of goods, the GDR will buy in 1980 a large number of Zastava automobiles from the Socialist Federative Republic of Yugoslavia.

In cooperation with the Energiebau Radebeul VEB, the Otto Buchwitz Starkstrom-Anlagenbau Dresden VEB will erect in the People's Republic of Angola 110-kilovolt and 220-kilovolt overhead lines and transformer stations. Appropriate agreements were made between the foreign trade enterprise Elektrotechnik Export-Import and the state energy authority SONEFE.

The foreign trade enterprise Interpelz Export-Import sold synthetic leather to a Lebanese firm.

In the presence of Otfried Steger, minister for electrical engineering and electronics, an economic treaty was signed by Dr Roland Winckler, director of the GDR foreign trade enterprise Elektrotechnik Export-Import and Pierre Alarousse, director of the

French concern Creusot Loire Entreprise. The pact contains an agreement making the GDR responsible for the projection, shipment, assembly and startup operation of power-engineering equipment and measuring, control and regulation technology for a fertilizer factory which will be erected by the French concern. Plants of the Combinat Automatisierungsanlagenbau VEB will complete the project by 1983.

During the first few days of the fair, GDR foreign trade enterprises sold a turret lathe and a trestle crane to the Austrian enterprise Voest-Alpine. In accordance with two fair agreements, the GDR foreign trade enterprise Demusa will ship pianos and grand pianos valued at 1.4 billion marks to the Italian firms Ricordi and Furcht.

A 5-year agreement on the export of special chemicals by the foreign trade enterprise Chemi-Export-Import to the Degussa AG in Frankfurt/Main was concluded on the first day of the fair. The shipments, which will total 5 million valuta marks, are based on an agreement between the two enterprises which has been in existence for 5 years.

Ready-to-wear furs and fur pelts and synthetic leather will be shipped to the FRG by the foreign trade enterprise Interpelz Export-Import in accordance with fair agreements.

Exports of synthetic leather to the Netherlands were also contractually established by the foreign trade enterprise Interpelz.

8991
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GERMAN DEMOCRATIC REPUBLIC

NEED FOR GREATER EXPORTS DEFENDED

Schwerin SCHWERINER VOLKSZEITUNG in German 19 Sep 80 p 4

[Article by Juergen Hamann: "Do We Export Too Much? International Transactions --A Plus Many Times Over; Things That Can't Be Paid For With Machines; Top Values Are Demanded"]

[Text] Do we have to export so much? This is a question that is sometimes asked, especially--in fact almost always--at times when the things we ask for are not available. For instance, sewing machines from Wittenberge, tiles from Boizenburg or furniture from Guestrow. Nobody denies the fact that many of these items that are now sold not in smaller but in increasingly greater quantity could very well be used on the domestic market. A contradiction?

Nobody Does Everything by Himself

First: the tendency to export, if possible at an increasing rate, is not specifically restricted to the GDR. Almost everywhere, export, which is a known precondition for international trade is considered a source of additional earnings. If transactions are made to mutual advantage, the seller sells at a higher rate than he would get in his own country while, on the other hand, the buyer buys more cheaply than if he could produce the items himself.

This is possible because in different countries different production costs are required for certain products. An example: even though the GDR is in a technological and economic position to build nuclear power plants, it imports them from the USSR. These imports--especially under conditions as favorable as those possible among socialist states--offer essential advantages to our national economy. No specialized plants have to be built, no workers have to be trained for production, and no special domestic scientific-technical potential has to be developed. As counter offer, we supply chemical plants for which we have many years of construction experience and which we can produce at advantageous cost. So there are advantages for both sides. Besides: modern plants and technologies, including industrial robots, can be used effectively only when large series productions are undertaken.

Especially in the present situation, where aggressive imperialist circles would like to revive the cold war era, reasonable voices are heard that plead for trade with socialist countries. Not of course because their hearts are suddenly beating for socialism, but because from increasing trade they can expect high profits and, in fact, have already realized them. Conclusion: international transactions between countries of different social systems are more and more becoming a factor in our peace keeping efforts. The world trade center Leipzig, where many capitalist firms participate in the annual fairs, offers the best opportunities for world trade and technical progress, in keeping with the motto of the Leipzig Fair. This shows very clearly the close connection between economics and politics.

So That We Can Enjoy Our Daily Cup of Coffee

The GDR with its long tradition in machine construction exports primarily machines, equipment and transportation components. But in commerce it has for decades been the custom to grant credits for large transactions--and this is the kind we are dealing with in machine sales. This means that one has to wait a considerable time for payment or instead has to buy machines or equipment. For this purpose, we have long-range agreements which in principle and practice are very advantageous for us and even of vital importance. We shall come back to this topic when we talk about our raw materials situation.

This is one aspect. The other: consumer goods--for example the tiles mentioned above--and agricultural products bring in money immediately. This too is one of our needs because we want to be "liquid" in order to be able to buy certain items like coffee, citrus and other fruit, spices or cocoa. We cannot change the fact that coffee is not grown in the GDR and that, in spite of this fact, nobody in the GDR will and shall forego the enjoyment of his daily cup of coffee. At the same time, foreign currency is needed in order to react quickly to international market changes and price developments.

All this must be taken into consideration. It is clear that everything is directed toward utilizing exports as an important factor in continuing our good policies that can be felt by every citizen. An interesting aspect of this policy is that the foreign trade of our country succeeds in paying for the coffee, citrus and other fruit, spices or cocoa that have to be imported, with machines and equipment instead of money, and that in turn widens our possibilities. In 1960 the GDR imported approximately 23,245 tons of coffee beans, but in 1978 it was 52,083 tons. In the same time period, cocoa bean imports rose from 12,348 tons to 23,734 tons. Citrus and other fruit imports tripled and reached 288,200 tons in 1978. This amounts to 35 pounds of oranges and bananas annually for each GDR citizen.

Raw Materials--A Problem With Consequences

This raises one questions that is very important for the consumer. We must realize, above all: approximately 60 percent of all the raw materials needed by the national economy of the GDR are imported. This fact has its consequences.

Copper, aluminum, rubber, polyethylene, dyes, different kinds of steel and tin, materials and also spare parts which we import from abroad are important production bases in such enterprises as the Schwerin Cable Works, the VEB Plastics

Processing Works, The Boizenburg Tiles Works or the VEB Upholstered Furniture Works Guestrow. Several GDR enterprises have succeeded, especially through better utilization of science and technology, in replacing certain expensive imports, and in the future, too, this problem will have to be solved to even greater extent within the scope of our policies and in the interest of the people's well-being.

At the same time, the following is very clear: the strength of our exports will be in constantly growing demand. The facts are well known: in the past 10 years, prices have risen by 260 percent for raw materials, iron, steel, non-ferrous metals, rubber and wood--to name but a few examples. Costs are increasing enormously for the exploration and development of raw materials. In the USSR, for instance, oil drilling costs per meter have tripled since 1959, and the medium drilling depth has more than doubled. For ores there is the additional problem that their metal contents have decreased considerably. Not to be forgotten are the expensive and long transport distances. It is of great advantage to us that the USSR supplies us with long-range, stable supplies from which, as is clear to everybody, result obligations for high production increases in our own national economy, including export.

In spite of all this, we must also face the fact of galloping prices on the capitalist world market. It is well known that prices for finished products, which are our own "star exports," have not risen at the same rate. In practice, we must today supply on the capitalist world market three times as many machines as in 1970 for the same amount of crude oil, for coffee twice as much W 50 and for skins and furs twice as many electric motors.

And in all this one has to realize that no customer asks the GDR what it would like to sell him, but rather what it can supply in goods which he would like to have. And W 50 and tractors, for instance, rate much higher on the international market than open-pit mining equipment.

Our Own Labor Determines Profits

How are we going to face these problems? Answers will be given only by production growth that will surpass traditional limits and is part of the competition for the 10th party congress. A decisive factor will be whether or not we produce enough products that represent top values on the world market and can be sold with profit even under increasingly harder competitive conditions. A good example is set by the leather workers in Neustadt-Glewe, whose top quality products dominate the market with almost no competition. In the total picture we must not overlook the fact that reserves still exist, especially in regard to exports to capitalist countries. Our party has pointed out emphatically that production waste must be reduced considerably through new construction methods and technologies. This policy will have comprehensive advantages: we will need to import fewer raw materials and, at the same time, will have the opportunity to export with greater profit. Our economy will thus have adequate means and opportunities to adjust to changed conditions. A central role will be played by the degree of quality in material production. There is a difference, for instance, whether window panes or optical equipment is produced from glass. It is obvious which one of these products will bring higher profits.

Are we exporting too much? Facts show that the question should be asked differently: are we exporting in a way that is necessary in order to continue the unity of economic and social policies? The answer is clear in the sense of the policies of our party, which are directed toward the well-being of the people. It is also clear that the only road toward future progress is the one by way of an increase in the production level of the national economy of our country. Here the decision will fall on what our total strength will be not only in the overall view but also in the individual and totally concrete perspective.

8889
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HUNGARY

SHORTCOMINGS IN MANPOWER REGROUPING MEASURES VIEWED

Budapest MAGYAR HIRLAP in Hungarian 7 Oct 80 p 7

[Article by Csaba Vertes: "The Costs of Personnel Turnover"]

[Text] Even without specialized experience in employment affairs, we are aware that practically no one anywhere has dedicated himself to "the regrouping of manpower necessary for the desirable structural modification of production." It is true that in certain specific cases--on a temporary basis and adapted to the circumstances of the moment--employers "maneuvered" manpower with surprising inventiveness and undeniable determination. We are only referring to constraint situations which arise in the everyday tasks of production, such as, the end of the month or end of quarter rush, or perhaps--to mention an entire branch--the measures taken in the redevelopment of coal mining which, of course, also had employment consequences.

The "maneuvering", or if you like, the redeployment of manpower--because of these kinds of considerations--however, may hardly be included under the concept of "planned and organized" manpower mobilization. Labor experts are reserving this category for permanent manpower redistribution connected with the formation of a more modern production structure, the steady development of efficiency, or rather, the utilization of new techniques or technology. We do not yet have a notable example of this.

Loss of a Half Billion

According to the records of ten years ago, one quarter of those then employed in state industry changed their place of employment. In some plants, half of the worker population changed within one year. According to calculations performed then, one employment change--that is, one employee leaving and another replacing him--cost at least 6,000 forints (taking into account considerably lower than average work performance during the training period).

Through this method of calculation, it thus became apparent that in the motor vehicle industry, for example, personnel turnover caused a loss of 430 million forints in 1969. If we wish to consider individual plants, there was a 43 million forint loss at the Ganz-MAVAG. It also became apparent that nine-tenths of the personnel turnover was initiated by the employees.

At the time, no one was expecting such a large-scale turnover, or that, above all, the laws of the manpower market mobility would be determined by the employees themselves. Granted that at every opportunity, the experts emphasized the fact that fluctuation and personnel turnover were entirely different matters. In practice, however, it was easier to promote stability in numbers and to strengthen ties to the place of employment.

The fluctuation did not decrease despite indentification of the "migrating birds", despite attempts to broaden and to solidify the cadre system, despite the fact that at one time everyone was concentrating on investigating the fluctuation, and despite strongly administrative toned measures which were intended to be very strict.

The economy's concrete effects can hardly be altered through artificial means. Our problems related to fluctuation have eased since people discovered that there is little sense to changing places of employment, because it makes little difference where and in what kind of place they are working. The mentality of employers--from which the concept and practice of manpower redeployment is remaining as foreign as it was a decade ago--was not affected at all by this discovery. In 1978, for example, enterprises left the central wage appropriation serving internal transfers virtually untouched because they had no use for it...

The Enterprise at the Focal Point

In the interest of completeness, it is worth mentioning that in the years past there have been measures undertaken as a result of which phenomena similar to redeployment were discernible. The directive dealing with hiring freeze and numerical increase prohibition for administrative and management personnel is an example. Although the number of enterprise employees and the intensity of the fluctuation are decreasing, these are insufficient for accelerating internal enterprise manpower mobility. This indicates, among other things, that the structural alteration of the economy has slowed down, or more exactly, has never accelerated.

To illustrate how complicated the situation is, we can state that what was a problem before is now, if possible, a greater problem. Previously, the primary reason for personnel stabilization efforts was the large scale fluctuation. Today, the decreasing intensity of personnel turnover which is accompanying the decreasing worker population is motivating enterprises toward stabilizing the employee population.

Thus the labor situation and economic life are set...

In principle, manpower conserving investments, the formation of wage and income proportions, retraining and continuing training systems and the formulation and manipulation of the social prestige of various occupations and skills, etc. were intended to be useful for manpower redistribution. But the labor freeing investments exerted and are still hardly exerting any influence, if for no other reason, than that during the resolution, planning and implementation of the investments employment matters are the very last to be considered.

It is difficult to determine to whom and to what the outlined measure system fundamentally pertains--enterprises, the individual or to both. The position of the researchers is that the most important juncture of the measures which affect manpower redistribution is the enterprise. In other words, the planned and organized redistribution of manpower can be achieved basically by the regulation of enterprise manpower needs, or rather, by the hiring possibilities, and not by restriction of the individual's desires and rights to accept work, or rather, to select his place of employment.

It should also be noted that during the operation, or rather, the actuation of the measure system which promotes planned redeployment, certain of its elements did just the opposite--instead of redistributing and organizing manpower mobilization they are strengthening the undesirable manpower stabilization. The wage and income proportion measures--which otherwise are ranging between tolerably narrow limits--and the system used for retraining and further training are similarly having the reverse effect. In other words, the measure system which affects manpower mobility is in fact selectively guiding to a manpower redeployment which has been found to be unsuitable in practice. This was due as much to the rather low development of the measure system as to the enterprises.

Increasing the number of workers in the service industry branches--which is indispensable for their operation--through redeployment is among our most important tasks. Especially in the processing industry, the conditions for manpower redeployment which go hand in hand with the urgent modernizaiton of the production structure, must be created. It would be worthwhile to direct some of the unattached labor force resources which may be found throughout the country--such still do exist--into the Budapest agglomeration, and the resources to fund the employee population of the capital area's emphasized investments must be created.

Practical Tasks

Greater and more explicit selection must be exercised in interenterprise redeployment. The redeployments must serve to modernize the production structure more effectively. The proportion of planned and organized labor redistribution must be increased. This also means that it is necessary to increase the number of within the enterprise redeployments and those initiated by the employer. Most importantly, all of this must increase manpower's adaptability capacities and the personnel structure's flexibility.

Thus, for the most part, the tasks are of a practical nature. In order to achieve the desired results, we must determine what the roles and tasks of individual measures, offices and organizations in manpower redistribution are. It must be ascertained how and through what methods can the ministries and councils promote personnel redistribution, what must the social organizations do, and perhaps, how they must alter their concepts and behavior, what tasks await enterprises, and how best, through what methods and through what principles and requirements can their efforts be coordinated. Without identity of interests and harmony of action--as the events of recent years are indicate--the practical implementation of manpower redistribution principles can hardly be expected.

9093
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WORKER-SUPERVISOR RELATIONS DISCUSSED

Warsaw TRYBUNA LUDU in Polish 15 Aug 80 p 3

[Article by Zofia Krzyzanowska: "The Manager and Subordinates"]

[Text] In a complex administrative system, management positions are the links uniting the individual's aims with those of the group and the group's aims with those of the society in general. Every supervisor has a supervisor to whom he must give an account of tasks fulfilled by workers subordinate to him. If relations with these workers are not good, the manager's efforts bring limited or unfavorable results. Furthermore, the manager, like everyone else, has negative feelings about an atmosphere of ill will, stress, and conflict.

But while the manager is indirectly affected by his subordinates, they are directly affected by him. The manager assigns tasks and enforces their implementation. The workers' wages, rewards, bonuses, and prospects for advancement depend on him The manager forms an opinion about a worker and expresses this opinion daily through praise or reprimands. He can help, or he can hinder; he can strengthen ambition or destroy it.

Both sides are concerned that mutual relations turn out to be good. However, they often turn out to be bad.

We are a society which is very sensitive to a person's dependence on another person. People working in the service area remind us at every opportunity that, while they can serve us, they do not have to do so. Obviously, this oversensitivity does not bypass other areas of work. Sociological studies carried out in the sixties by Prof. Stefan Nowak and Dr. Zbigniew Sufin demonstrated that the division into managers and the managed, and directors and subordinates, is felt to be the fundamental source of stresses and ill will. Sensitivity to dependence did not decrease with the passage of time.

This does not make the manager's situation easier, the more so since we are still a long way from a widespread habit of conscientious and disciplined work and honest self-evaluation. Daily collaboration also forces the manager to express disapproval and to use pressure. It is unlikely that a conflict can be avoided in this situation. The important point is to prevent these incidents from hardening into permanent conflicts. And whether or not they do is determined by the manager's attitude, by how he understands his function, how effectively he fulfills it, and what right things he represents.

Studies conducted recently among young workers at the Moszczenica mine showed that every third one of them had left his previous employment as a result of conflicts with superiors. An analysis of personnel turnover at the Szczecin Transport Enterprise (from 1975 to 1977) showed that there also one of the principal causes of personnel fluctuations was a poor worker-manager relationship which was manifested by workers' earnings and the elimination of advancement possibilities. Someone angered the manager, someone "slipped," and there was a parting of the ways.

Conflicts with superiors are a fundamental reason for personnel turnover. More often than not, however, matters do not result in a parting, and an atmosphere full of reproaches remains, with all its negative results. These conflicts are usually accompanied by complaints of the superior's unfairness. It is often said about managers that they apply different standards to different people, underestimate workers' achievements and good will, and react tolerantly or harshly to the same offense, depending on personal liking and mood.

Not every such complaint is objective. People have a tendency to overestimate their merits and underestimate their faults. Unfortunately, however, it is a proven fact that in many work places fair evaluation is not guaranteed.

In comparing groups of workers considered to be the best with groups considered to be the worst, the Work and Wage Institute determined that the differences were not confirmed by either personal actions or by work results, which were analyzed overall and in depth. There is not too much knowledge available about a worker's personal actions, and individual work results are also not followed carefully on a daily basis. A worker's reputation is often based on incidents which stick in the memory.

Keeping evaluation charts on workers has been proposed for a long time, but has not caught on with management because it is laborious, bothersome, and time-consuming. It is obvious to every manager that he must know the tasks for which he is responsible and the materials needed to fulfill these tasks. The need for understanding people is accepted rather theoretically.

A young man confided in me: "I don't demand daily cordiality or discussions about family from my superior. I understand that, like everyone else, he may give in to feelings and make a mistake. But I cannot accept rudeness and behavior which shows that there is no need for consideration of subordinates. The 'modern' manager is so busy with problems and business that he has no time for subordinates. The style is to replace talking with shouting. As a result, the personnel's subordinate position becomes humiliating, and the atmosphere tense."

An exaggeration? No doubt. But it contains several rational premises. Not only where personal actions are concerned does punishment exceed rewards. Supervisors are not liberal with praise. Their attention often becomes concentrated on the subordinate only when he gives cause for dissatisfaction. A manner far from what is socially required is adopted, and it takes on particular importance because of the employee's dependent position.

What emerges from numerous surveys of factory workers is that the only requirements a manager must fulfill are those of basic work and cooperation values. A good manager need not be on the level of an expert in professional knowledge, nor must he be a "good guy" when fulfillment of duties is to be accounted for.

But he must have the organizational knowledge and abilities needed for effective implementation of tasks, must exhibit a kindly interest in his subordinates, and observe the principles of fairness.

He must be, so to speak, "human," and "human" includes treating his subordinate as an equal partner with whom he can and must have mutual understanding. This understanding is of fundamental importance in interpersonal relationships and work effectiveness.

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OLTENIA COAL BASIN OPERATIONS: PROBLEMS, SOLUTIONS VIEWED

Bucharest REVISTA ECONOMICA in Romanian No 37, 12 Sep 80, and No 39, 26 Sep 80

/Article by Vasile Boescu and P. Bogdan: "The Raising of Coal Production to the Level of the Economy's Needs" (Parts III and IV)--for Parts I and II see JPRS 76515, 29 Sep 1980 pp 79-88]

/12 September 1980, pp 6-7/

/Text/ A marked increase in coal production constitutes one of the highly topical imperatives, since the fuel needed both for producing electric power and for obtaining the coke used in the iron and steel industry is to be furnished on this basis. Both the provisions for this year and especially those for the 1981-1985 five-year period make it necessary that in the mining industry special efforts be made to exemplarily fulfill the continually growing tasks, in order to help to reduce the country's effort in coal importation.

Special tasks in this regard devolve upon the mines in Valea Jiului, which, as is known, extract most coal with a high caloric power. These operations, with an old tradition in our country, have undergone vast changes. Today, for the most part, the coal is extracted underground with mechanized means, the old settlements, which have been transformed into modern cities, have been rebuilt from the ground up, a polytechic institute for engineers and subengineers has been organized, and so on. All these things are causing at present the activity of the miners in Valea Jiului to be more economical and the production of coking and power coal to register spectacular increases.

A High Degree of Mechanization--Increased Production

According to the provisions of the sole plan for economic and social development of Romania, the mining units in Valea Jiului are to extract 11.1 million tons of coking and power coal this year. It is significant to point out that the output planned for 1980 represents the biggest annual increase known thus far in this basin. For the next five-year period, the attainment of a level of at least 15-16 million tons of extracted coal in 1985 is expected.

In the first half of the year, the activity performed along the line of fulfilling the plan targets ended in remarkable results. The commodity output was overfulfilled by 0.8 percent, the net output of coal by 0.1 percent, the output of sorted coal by 2.6 percent and the output in terms of net value by 2.7 percent. The indicators of the technical plan were overfulfilled by 3.4 percent for mechanical loading of coal and deads and for gallery headings, by 5.3 percent for metal support in faces and by 7.7 percent for mechanical cutting and loading of coal in longwall working faces. The stipulated consumptions of materials were 3.6 percent lower for pit props, 3.9 percent lower for coniferous timber and 3.2 percent lower for electric power. The plan for preparatory work in the whole basin in Valea Jiului was fulfilled at the level of 100 percent, but with the targets for opening work and building-assembly work not being completely fulfilled.

The Lupeni, Paroseni and Barbateni operations, where persevering action was taken to fully use the technical equipment and the worktime, made a special contribution to the results obtained. At Lupeni, for instance, which overfulfilled the plan by 21,200 tons of coal in the 1st half of the year, attention was devoted to using the mechanized complexes at high parameters, to keeping the equipment in good condition and repairing it at the proper time, and to strengthening order and discipline, which led to the obtaining of high productivity (between 10,766 t/p and 14,264 t/p at the Hemschidz complexes and between 10,973 and 12,030 t/p at the SMA [expansion unknown] complexes). At Paroseni, where the plan for the 1st half of the year was overfulfilled by 6,800 tons of coal, productivities higher than the stipulated indicators were obtained with the Fazos complex (11,253 t/p on the average as compared with the 9,853 planned, attaining 16,672 t/p at seam 13, block 6, panel IV-V). Good results were also obtained with the SDP-240 [expansion unknown] complexes at Petrila, with the stipulated levels being exceeded by 3.4 tons per post.

The achievement of coal extraction at the planned level this year and in future years has caused and is causing further the development of the production capacities, the utilization of new mining fields, of new geologic reserves. For ensuring the growth of the production capacities, the achievement of a volume of investments 37.5 percent higher than in 1979 is provided for this year. New mining fields are in the process of being opened, the capacities of all the existing mines are being developed and a big volume of vertical and horizontal opening work is being done,

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especially at the Uricani, Lupeni, Lonea and Aninoasa mines. Concomitant with these concerns, greater attention is being devoted to the better utilization of the mining mass by introducing new, modern solutions into the coal-preparation process, by increasing the degree of technicality in processing and washing, in order to recover as large an amount of output as possible and clear out the residual water.

This year, as a result of the actions taken to mechanize the work of heading and coal extraction, results much better than in the earlier periods have been obtained. The output extracted with mechanized support rose from 789,000 tons in 1977 to 2 million tons in 1979 and amounts to 4 million tons in 1980. At the same time, the degree of mechanization in the cutting of coal in normal faces equipped with complexes and individual support has risen from 2.8 million tons in 1979 to 4.5 million tons in 1980. The number of mechanized complexes in the inventory has risen from 30 in 1979 to 59 in 1980, and the number of those in operation has risen from 19 to 38, which means practically the doubling of the faces at which these underground plants work.

The concern for sensibly utilizing the work force constitutes another decisive factor in obtaining better results, with an accent being put on increasing the number of posts placed in directly productive work. Thus, in the majority of the months that have passed this year, an increase of 500 posts placed in the coal-extraction faces was achieved at Paroseni, 300 at Lupeni and 200 at Barbateni. The highest percentage of placed posts is found in the preparatory work for coal extraction.

The Labor Productivity at Each Post

Pointing out the positive results obtained and the better and better conditions for underground work, we have to state that the mining units in Valea Jiului continue to be confronted with a number of drawbacks and shortcomings that are making themselves felt in the general activity. At the level of the combine, a lag of 287,000 tons in the production of raw bituminous coal, of which the biggest shortfalls come from the Livezeni, Dilja, Lonea, Aninoasa and Vulcan operations, was registered in the 1st half of the year. The failure to fulfill the plan at the respective operations is due, above all, to shortcomings of an organizational nature. Thus, the poor concern for organizing the activity at the working faces equipped with all-around mechanization caused the obtaining of low productivity at Lonea, Livezeni, Vulcan, Aninoasa and Uricani, which also influenced negatively the physical labor productivity at the level of the combine. Besides these lags, it is also relevant that the deviations from the quality indicators of gross output led to bearing in the production costs price reductions amounting to 65.6 million lei in connection with an output of 262,000 tons, which is practically equivalent to the gross output not achieved.

All these shortcomings also constitute the main cause of the failure to achieve the planned labor productivity at the level of the combine, as regards both the value indicator and the physical indicator (97.2 percent and 90.4 percent, respectively), which caused an excess of 61.8 lei in the expenses per 1,000 lei of commodity output and of 18.4 lei in the material production expenses.

The failure of the units of the machine building industry to provide equipment and mechanisms at the proper time also contributed to the failure to fulfill the plan targets at the coal mines in Valea Jiului. Thus, the Petrosani Mining Equipment Enterprise is behind in deliveries by 13 SMA-2 complexes, 2 SMA-1 complexes and 16 CA-2 coal face combines, and the Filipestii de Padure Mining Equipment Enterprise by 20 AH-78/350 hydraulic aggregates. In addition, regarding the equipment provided for the investment objectives for 1980, the delivery dates for many pieces of equipment were overshot by the Bucharest "23 August" supplying enterprise, the Baia Mare IMUM /Metallurgical Tool and Machine Industries/ and so on, to which is added the failure of the Industrial-Export-Import firm to provide a number of pieces of imported equipment.

Close Collaboration Between the Mining Specialists and Those Who Make the Equipment

Unfortunately, there are disputes between suppliers and customers in connection with providing the mining equipment. On the one hand, the customers (the mining enterprises) cite the failure of the suppliers (the machine building enterprises) to make equipment perfectly adapted to the specific character of their work and on the dates stipulated by the contracts. In their turn, however, the suppliers assert that this situation is due to the attitude of the mining units, which do not approve in due time the equipment provided for testing, that the requests are very often changed both quantitatively and in terms of assortments, that the customers still have not clarified in detail all their demands, and so on.

The problem in itself--regardless of who is right--merits a more thorough analysis. It is known, for instance, that about 2 years ago, on the instructions of the higher party leadership, a plan for mechanizing the mines in Valea Jiului was drawn up, a plan in which responsibilities and dates for assimilating and achieving in series equipment, machines and installations were stipulated. Unfortunately, thus far, for many planned facilities, the dates of achievement have been overshot by far. Why is there such a state of affairs?

It is true that, as a result of the stipulated measures, the specialization of units in the manufacture of mining equipment has been undertaken in the machine building industry, that they have assimilated some new types of equipment, that a part of those planned have been delivered. But the activity is going on with great slowness, which is putting its imprint on the failure to achieve on schedule a number of pieces of equipment, mechanisms and spare parts. The list of the failures is quite long and includes a variety of equipment (SMA-1 complexes, SMA-2 complexes, coal face combines, AA-78/B50 /expansion unknown/ hydraulic aggregates, dump trucks, motor cranes, S-1,500 tractors with bulldozer equipment, hydraulic excavators and so on).

But it must be said that it is just as true that the specialists of the Mining Combine in Valea Jiului and of the subordinate mines decide with great difficulty in precisely establishing the needs. Naturally, the specific character of the operations calls for mechanisms of different types, which do not always correspond to the conditions under which they are put to work. However, from this to the situation of not deciding--although years have passed--about the equipment received for approval is a very long way. Unfortunately, the tendency to request as much imported equipment as possible continues to prevail among the mining specialists, although that assimilated by our machine building industry is not inferior in any way.

One measure that would be necessary in order to eliminate subjectivity would be that of organizing joint staffs of specialists from the machine building industry and from the mines, which would analyze on the spot (in the mines) the conditions, the behavior of the equipment furnished, the real needs, and together would establish in detail the new complexes and machines that must be achieved. The measure would also lead to the improvement of the equipment furnished thus far and, at the same time, the hastening of the execution of equipment of undoubted necessity.

Naturally, other actions must also be taken--of which the vocational training of those who operate the mechanized means must be put first and foremost. The fact that a number of pieces of equipment are not utilized at the prescribed parameters, that some mechanized complexes are not used for the stipulated duration because they broke down in operation, that there are differing results between crews of miners that work on the same equipment and under the same conditions, shows by itself that it is necessary to act more intensely in the direction of training the personnel. Moreover, it must be said that under the conditions in which the mechanization in mines is increasing, the trade proper of miner is being transformed into that of fitter. Consequently, it is a question of a new profession, for which personnel must be trained, to the extent to which this "void" will be filled, the equipment being used better, and the results of the work will be better than the current ones.

In the light of the tasks resulting from the speeches given by Comrade Nicolae Ceausescu at the work session of the RCP Central Committee and the expanded plenum of the National Council of Working People, the working people's council at the Valea Jiului Mining Combine recently analyzed the stage of fulfillment of the plan and the measures that are required for fulfilling it for the whole year and creating the conditions needed for 1981. The program of measures adopted involves in particular the increasing of the production capacities by about 4,000 tons per day by putting into operation new faces equipped with complex support and mechanized cutting and the execution of the work connected with putting into operation the Cimpul lui Neag zone A mining field.

In addition, the measures involve the better organization of production and labor, mainly the daily placement of an additional 300 workers in the activity of coal extraction, by means of which a production increase of 1,200 tons per day will be provided; the additional introduction of 7 combines into the coal heading work; the providing of technical assistance on all shifts; the improvement of the activity of overhauls and repairs; the exploitation of the outcrops at Lupeni and Uricani; the better utilization of the combustible mass by improving the activity of coal preparation; the putting of manual sorting into operation at Lupeni; and the sorting of the visible deads in faces.

For carrying out the investments, the timetables with the scheduling of the work of putting into operation the new capacities with dates falling due in 1980 have been updated and the matter of analyzing on a 10-day basis with the responsible factors at the mining enterprises the manner of achievement of the mining work of preparation and opening, the use of the technological equipment in the inventory, and the pursuit of the implementation of the equipment-purchase contracts in conformity with the provisions of the mechanization and equipment program have been established.

Clearly, all the proposed actions will have the anticipated efficiency to the extent to which all the factors involved--miners, geologists, designers, machine builders--will act in close collaboration, will promptly solve all the problems that arise, creating favorable conditions for a well-organized activity in providing the working faces, the necessary mechanized means, in continually improving the work technologies.

/26 September 1980, pp 5-6/

> /Text/ Under the conditions of the high rates of development of the economy, the providing of the planned quantities of fuel and, respectively, electric power represents a vital matter for properly carrying out production in all sectors of activity. On the occasion of the recent work visit made to Oltenia's coal basin, the secretary general of the party, Comrade Nicolae Ceausescu, directed to the miners--in the speech given at the people's assembly in the city of Motru--the appeal to do everything to increase coal production, so that in ensuing years our country would be able to become as independent as possible from the importation of petroleum and coal, meeting its need for energy and fuel from its own resources.
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> In the light of these tasks of special importance to the whole national economy, we continue the investigation undertaken by our periodical in the big coal basins in Oltenia and Valea Jiului, presenting a synthesis of the opinions of the specialists within all the units

> involved--mining units, suppliers of technological equipment, customer thermoelectric power stations and so on--regarding the methods of more actively involving the main factors capable of leading as soon as possible to the recovery of the arrears and the fulfillment of the planned tasks, for preparing as well as possible to fulfill the tasks in the next five-year period.

The Hastening of the Putting of New Extraction Capacities Into Operation

The concentration of the efforts to make up the delays in putting the stipulated new production capacities into operation at the planned parameters, to prepare new working faces, constitutes, along with the better organization of labor at all the work points, a priority objective on the basis of which the specialists feel that it will be possible to raise the level of the physical output in each quarry and mine in Oltenia's coal basin in such a way as to achieve daily 95,000 tons of lignite in the 2d half of September and about 100,000 tons in the 4th quarter of the year. Moreover, the problem is valid for both coal basins, where a number of openings of new mines have long since overshot the stipulated date for going into operation at the projected parameters. It is mainly a question of some production capacities in Valea Jiului (the mine in zone A of Cimpul lui Neag, new faces at Lupeni, Vulcan, Uricani and so on) and those in Oltenia's basin (the small quarries and the new mines at Zegujani, Motru Vest, Plostina II, Rosinta, Tismana, Farcasesti, Somanesti and others). Greater attention in establishing the order in which the work is tackled, in organizing and balancing the whole activity of providing the coal and working faces in such a way that the urgent work is done in coordination with the tackling of the future work, seems necessary in order to avoid the appearance of such problems. We are referring particularly to the performance of the work of draining the marshes and the land with high humidity in Oltenia's zone before the time of turning to uncovering, the early execution of the access and traffic roads and so on.

At the same time, it is necessary that, by increasing the efforts, the geologic specialists prepare--on the basis of much more thorough, more rigorously substantiated studies and research--geologic maps, diagrams and estimates closer to reality. And this is because there still have been cases when significant investment funds have been spent on the organization of sites, and a significant volume of manpower and equipment has been tied up in the performance of uncovering work, so that, ultimately, the seam of coal and its quality have been far below the estimates.

Improvement of the Making, Operation and Maintenance of Equipment

The equipping of the mining units with coal-extraction and -transport aggregates at the level of the rational, well-substantiated need and the operation of them at higher indices constitute a decisive premise for the extraction of coal at the level of the plan targets. In order to achieve it, the concerns of the factors involved must have in view in particular:

1. The priority concentration of the efforts in the supplying units to make and send immediately to the mines in Oltenia and Valea Jiului all the equipment contracted for: excavators, coal face combines, mechanized complexes, dumping machines and so on, including that whose dates are now expired;

2. The elimination--at the producer--of the discrepancies that still appear occasionally in certain equipment (mechanized complexes, bulldozers, excavators, dumping machines, stations for driving the belt conveyors, and so on) between the performances of the equipment furnished and those required by the concrete operating conditions in the quarries and mines. It is above all a question of making and furnishing bucket excavators that would replace, in the hilly zones (Tismana I, Rovinari Est and so on), the rotor excavators, which cannot have high outputs in work on a slope. But also of the fact that types of dump trucks with transmission and hydraulic systems of greater dimensions and sturdiness than those furnished thus far are necessary for the requirements specific to the operations in Oltenia's basin. In addition, the opinion regarding the necessity of perfecting improved technologies and equipment that would permit the selective extraction of coal, the reduction of the volume of deads transported, and the better utilization of thin seams of useful material is also interesting to have in the discussion of the specialists.

For fulfilling these requirements, it is felt that it is necessary for the researchers and designers at the producing units within the MICM /Ministry of the Machine Building Industry/ to study more thoroughly, on the spot, the specific working conditions and, on this basis, to devise coal-extraction and -transport equipment more adapted to the specific character of the work in the quarry or mine. However, it is no less true that since the producing units are obliged to stay within the provisions put in the design it seems advisable that, on ordering the technological equipment, not just the ideal working conditions be put--by the customer--in the working designs but that the real and complex difficulties that the exploitation of coal actually presupposes and the probability of the appearance of more difficult operating conditions in the interim also be taken into account;

3. The increasing of the promptness of the activity of installing the technological extraction aggregates, through the delivery of ready-to-install subassemblies by the supplier and through the intensification of the customer's help in the general installation of new production equipment. It is a question, at Rovinari, for instance, of finalizing the putting of four excavators and dump line three into operation at Rosia, of finishing the work on the Jilt coal line and excavator number two, of putting into operation the Tismana II coal trunkline, a new excavator and a dump line at Lupoaia, and so on;

4. The speedup of the process of assimilating the new technological equipment with high performances. In the regard, it seems necessary, on the one hand, for the suppliers within the CIUTPM /Industrial Central for

Technological, Petroleum and Mining Equipment_7 to increase their efforts to make up the arrears with regard to the provisions of the technical plan for renovation of production and, on the other hand, for the customers to substantiate better and sooner their need for new equipment, avoiding a much too frequent quantitative and qualitative change (even during the plan year) in the choices made. At the same time, it is necessary for the mining units to collaborate more actively with the producing enterprises on more promptly approving the new aggregates assimilated by the enterprises in the country;

5. The increasing of the concern for continually improving the operation and maintenance of the technological installations in the inventory, so that for all the equipment, and especially that in the quarries, the use indices rise to more than 80 percent in a short time. A much bigger contribution is expected both from the suppliers (especially the Braila "Progresul" Enterprise) and from the customers, through the providing of normal operating conditions to a greater extent--the building of suitable roads and the elimination of improvisations in making them, the improvement of maintenance and the continual modernization of the existing ones--and through the prompt and complete assimilation of the nearly 30 percent that devolves upon them for their own manufacture out of the total of the spare parts required, the making of repairs at the proper time and with high quality, and so on. The mining units will also have to show more concern for properly storing the subassemblies and the technological equipment coming from the suppliers, in order to protect them from irreparable damage as time passes.

The Providing of Manpower in Suitable Numbers and With Suitable Qualifications

One essential matter for increasing the volume of extracted coal consists of meeting the need for manpower in suitable numbers and with suitable qualifications, an objective for attaining which the efforts must be oriented with priority in the following directions:

The stimulating of the concern--in the operations in both Oltenia's basin and Valea Jiului's basin--for training and for increasing the vocational training of the personnel who perform work of preparing the new capacities and those who extract coal from faces and quarries. To this end, various forms of training must be used--in vocational schools, on the job, through sharing of experience and so on--so that those who will utilize the mechanized means can obtain high outputs on each piece of equipment, can operate them rationally so that their operating life is as long as possible. At the same time, it is necessary to also provide, by means of the high level of training of the personnel, the possibility of making the possible overhauls for repairing accidental damage, thus avoiding the losses of time needed for utilizing such work by other personnel. At the same time, it would also be extremely useful to set up on the Rovinari platform--in Gorj County--an institute for quarry mining subengineers, which would help to increase the stability of the work force and to train specialists for the specific character of the operations in Oltenia's zone;

The continuation of the action of increasing the degree of mechanization of not only the basic work but also the auxiliary work. In Valea Jiului, for instance, a number of slightly mechanized elements--cranes, winches and so on--for installing the big mechanized complexes and for transporting them to the faces have sometimes not been provided, which causes such work to be clumsily and with big delays at certain operations. It is necessary for both the suppliers of such equipment and the operations' own shops to make greater efforts to provide such tools and equipment sooner. In addition, it may be very necessary--especially for the quarries in Oltenia--for the "Castor" excavators of 0.6 cm to be equipped with a mechanized system of shovels right in the factory. Especially because such a system has been achieved, from our own ideas, for 20 aggregates within the mining combine. For this, however, the producer of the excavators--the Braila "Progresul" Enterprise--would have to exhibit more receptivity and promptness in assimilation. The problem is also posed likewise with regard to the winding installation for recovering the conveyor belt of reusable rubber in the quarry, in the assimilation and making of which the machine building units do not exhibit sufficient mobility.

Improvement of the Organizational Framework for the Activity of Extraction and Utilization

Besides the above-mentioned aspects, it is important to note the fact that, during the investigation made, there were brought out a number of possibilities of coal extraction and utilization that are worth pointing out since they can contribute without additional investments, or with a minimum of allocated financial resources, to the substantial quantitative and qualitative growth of mining production.

A good measure, and one that must be continued, is that of building warehouses for storing the coal both at the suppliers and at the customers, since the advantages are substantial if it is considered that in this way conditions are created for drying the coal better and for increasing its quality, its content in calories, by means of sorting and mixing. On this basis, it is possible to create a reserve supply of coal (which will have to rise far over 1.5-2 million tons) capable of providing to the thermoelectric power stations a certain independence from the suppliers, avoiding critical situations in the supply and providing continuity to the coal supply in the winter period.

In view of the unsuitable maintenance of the auxiliary equipment (bulldozers, bucket excavators, motor graders, cranes and so on), on the one hand, and the fact that the enterprises that now have it in the inventory (the IUTCCR /expansion unknown/) do not manage to provide it at the level of the requirements, one possible organizational solution for eliminating these shortcomings would be for the auxiliary equipment for extraction and transportation to be put in the inventory of the mining units, which would obviously lead to more concern for maintaining it, the reduction of the TESA /technical, economic, other specialized, and administrative/ and auxiliary personnel by about 30 percent.

Of special importance is the matter of taking under study the proposal that the production units of the Oltenia Mining Combine and the customer thermoelectric power stations in Rovinari and Turceni, which are on the same industrial platform, be unified--from an organizational viewpoint--into a single central for coal extraction and utilization, as in fact this complex mining and power-producing activity is also organized in other countries of the world. The proposal deserves all the attention of the factors involved, in view of the significant advantages that it has: the economization of a significant number of TESA personnel who are now occupied with separate records and accounts of the coal at the producer and the utilization as a final product and, respectively, a raw material, the concentration of the efforts in the fields of both the extraction and the processing of coal toward an essential objective of the economy: the production of electric power. Also to this end, it is necessary to examine more closely the proposal that the basic physical indicator for judging the activity done in the mining sector be a certain quantity of gigacalories (and not as at present the ton of extracted coal to high-grade washed and sorted coal) and that at the level of the combine for coal extraction and utilization the kilowatt-hour of power produced be institutionalized as an indicator.

In this context, it is clearly seen that the Ministry of Mines, Petroleum and Geology, the Ministry of Machine Building, the Ministry of Transportation and Telecommunications, the Ministry of Industrial Construction, the State Planning Committee, the Ministry of Labor and the local party and state bodies are called upon to give substantial help in attaining the great objectives that devolve upon the country's coal mines. Especially with regard to more promptly providing mechanized means of a high level, to setting the quotas for material consumptions and for labor in relation to the actual and real needs of the operations, to steadily making means of transportation available, to intensifying the activity of putting new deposits into operation, for speeding up the rate of construction of the new urban mining centers--Rovinari, Matasari and Trestioara--for continually improving the working and living conditions of the miners.

The premises needed for establishing and maintaining a high rate in the extraction of ocal and the delivery of it to the iron and steel industry, to thermoelectric power stations and for the population's needs are being created through the increase in the miners' own efforts and with the benefit of this multilateral help.

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